

City of Oak Park,
Michigan



Year Ended
June 30, 2012

Comprehensive
Annual Financial
Report

Prepared by: Finance Department

Director of Finance and Administrative Services
Sandra Crawford

City Manager
Erik Tungate

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INTRODUCTORY SECTION

CITY OF OAK PARK, MICHIGAN

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City of Oak Park

"The Family City"

Sandra Crawford, Director of Finance

Mayor
Marian McClellan
Mayor Pro Tem
Angela Diggs Jackson
Council Members
Michael M. Seligson
Paul H. Levine
Emile J. Duplessis

January 23, 2013

To the Honorable Mayor, Members of the City Council, the City Manager,
and the Citizens of the City of Oak Park, Michigan

The comprehensive annual financial report (CAFR) of the City of Oak Park (the "City") for the year ended June 30, 2012, is hereby submitted as mandated by the City Charter, Section 9.8, and state statute, Public Act 2 of 1968. The City Charter and state statute require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehmann Robson, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City's principal officials. The basic financial statements include the government-wide financial statements and fund financial statements as well as the independent auditor's report on these financial statements. The required supplemental information includes management's discussion and analysis and information on the pension and other employee benefits plans. Other supplementary information includes combining and individual fund financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

The Reporting Entity and Services Provided

The City has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City includes all the funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Mayor and City Council. Based on these criteria, the Municipal Building Authority, Brownfield Redevelopment Authority, and Economic Development Corporation have been included in this report.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; planning and zoning; library services; and recreational activities and cultural events. In addition, water and sewer services are provided under an enterprise fund concept, with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

Local Economy and Governmental Structure

The City of Oak Park is located near the southeast corner of Oakland County in southeast Michigan, and approximately 3.5 miles from Macomb County and adjacent to the northern boundary of the City of Detroit. The City contains approximately 5.5 square miles with a population of 29,319 persons as reported by the U.S. Bureau of Census for 2010.

The City operates under the Council-Manager form of government as established in its charter adopted October 29, 1945. The City Council is comprised of a Mayor, elected at-large every two years, and four Councilmembers, two elected at-large every four years. The City Council is responsible for enacting ordinances, resolutions and regulations governing the City. City Council also appoints the members of various statutory and advisory boards and commissions, the City Manager, and the City Attorney. The City Manager is responsible for enforcement of laws and ordinances established by City Council and appoints and supervises the heads of departments of the City organization.

The City of Oak Park has grown over the years to a point where only one percent of its total land area is vacant. Although most of the growth occurring in Oakland County is taking place to the west and north, the I-696 freeway, which runs through Oak Park, provides a corridor of opportunity for redevelopment and enhancement of existing development.

For fiscal year 2012-2013, the citizens of Oak Park passed a millage increase to fund the public safety retirement system. This will allow the City to maintain its service for the citizens. It will be management's goal to maintain high quality services during economic uncertainty. The City has adopted prudent financial policies, which will help guide us through the upcoming years. The City has a strong property tax base and management believes it can meet the challenges confronting us in the near future.

Major Initiatives

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in fiscal year 2011-2012:

- 1) The City's sewage is handled by the Twelve Towns Drain System. Stormwater and sewage enter the City's sewers, which is carried to the Twelve Towns treatment facility and released into Lake St. Clair. Pollution in Lake St. Clair has led the Michigan Department of Environmental Quality to issue violations, which will require improvements to the facility. It is estimated that these improvements will cost \$130 million of which \$17.3 million will be the City's share. These improvements will cost every user of the system in Oak Park \$3.14 to \$5.00 per month. This will have a significant impact on the citizen's water and sewer bills as the improvements will have to be paid by increased charges. The City will continue to work with the Southeastern Oakland County Sewage Disposal District to clear up any violations and to embark on a plan that will not only benefit the environment but keep costs within a reasonable range.

- 2) The City adopted the fiscal year 2012-2013 general fund budget with the goal of adding \$434,903 to fund balance, after adding \$155,630 of fund balance in fiscal year 2009-2010 and using \$395,138 in fiscal year 2010-2011. The City used \$913,962 of fund balance in fiscal year 2011-2012. The slowdown in the economy, cuts in State revenue sharing and the expected increases in expenditures for health insurance and pension costs will seriously affect future budgets.
- 3) The City borrowed \$13.425 million in October 2010 for the construction of a city hall and public safety building. The City entered into a \$2.5 million lease commitment for renovations to the library and recreation building in late 2011. These projects are anticipated to be completed in early 2013.

Financial Information

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Long-term Financial Planning

The City Council has adopted the following financial policies to guide the process for long-term financial decisions: 1) Debt Management Policy - provides guidelines for borrowing money to finance projects; 2) Cash Management Policy - provides guidelines for the day-to-day handling of cash and investments; 3) Capital Improvement Policy - sets capitalization thresholds and parameters for capital asset purchases; and 4) Investment Policy - provides guidelines for investment of the City's liquid assets.

A large parcel of property owned by the State of Michigan, which formerly housed the Eight Mile Armory, has stood vacant for many years. The State has sold this parcel for commercial development. This project will stimulate development in this area and provide additional tax dollars to fund future development.

As the City faces a slower economy additional funding sources will have to be found to fund large capital projects. This may include additional taxes, which can only be raised by a vote of the people. Other sources of revenue may include grants or raising fees. These challenges will be met following the financial policies above.

Federal Financial Assistance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City is required to have a single audit in fiscal year 2011-2012 to test these controls because it received more than \$500,000 in federal assistance as required by the Federal Office of Management and Budget (OMB) Circular A-133.

Budgeting Controls

In accordance with state law, the City's budget is prepared on the modified accrual basis for governmental type funds, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. Governmental fund types, such as the City's general fund, special revenue funds, debt service funds and capital projects funds are reported on the modified accrual basis. The City's enterprise fund, internal service funds and pension and other employee benefits trust funds are reported on the accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the general and special revenue funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. There were no encumbrances outstanding at June 30, 2012.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Awards and Acknowledgements

A Certificate of Achievement for Excellence in Financial Reporting was received for the City's CAFR from the Government Finance Officers Association (GFOA) for the fiscal year ended June 30, 2011. This award has been received for 18 consecutive years.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Department of Finance and Administrative Services, Department of Technical and Planning Services and our independent auditors, Rehmann Robson, Certified Public Accountants. Each of them has our sincere thanks.

In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Sincerely,

[Signature omitted for security purposes]

Sandra Crawford
Director of Finance and Administrative Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oak Park
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

CITY OF OAK PARK, MICHIGAN

ELECTED AND APPOINTED OFFICIALS

City Council

Marian McClellan
Mayor

Angela Diggs Jackson
Mayor Pro-Tem

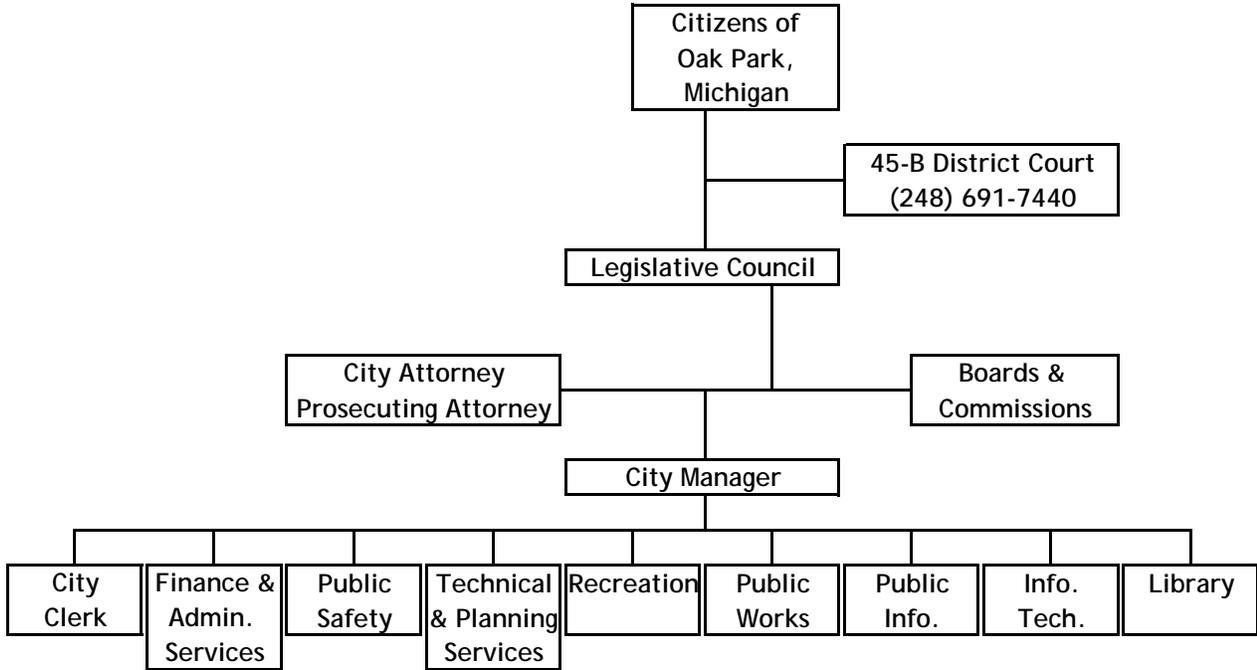
Emile Duplessis
Paul Levine
Michael Seligson
Council Members

Appointed Officials and Senior Management

Erik Tungate, City Manager
T. Edwin Norris, City Clerk
Saundra Crawford, Director of Finance and Administrative Services
John Carlson, City Attorney
Beth Thompkins, Library Director
Robert Barrett, Director of Technical and Planning Services
Kevin Yee, Director of Public Works/City Engineer
Steve Cooper, Director of Public Safety
Cristin Spiller, Director of Recreation
Jeffrey Schefke, Director of Information Technology
Kathleen Lindroth, Deputy Treasurer
M. Dean Bush, City Assessor
Scott Lemarbe, General Foreman
Gary Shermetaro, General Foreman
Mike Pinkerton, Deputy Director of Public Safety
David DeCoster, Deputy Director of Technical and Planning Services
Rocco Fortura, Deputy Director of DPW
Steve Lukasik, Water Supervisor
Lynn Davey, Senior Services Coordinator
Diane Lemanski, Director of Human Resources & Operations
Emily Doerr, Director of Community & Economic Development

CITY OF OAK PARK, MICHIGAN

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

January 23, 2013

The Honorable Mayor, Members of the City Council,
the City Manager, and the Citizens of the
City of Oak Park, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan (the "City"), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated January 23, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions for the pension and other postemployment benefit plans, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

Our discussion and analysis of the City of Oak Park's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the financial statements.

Financial Highlights

- The City's net assets decreased as a result of this year's operations. Net assets of our business-type activities increased by \$1,289,136, or 6.9 percent; net assets of our governmental activities decreased by \$5,121,705, or 49.4 percent.
- During the year, the City had revenues and other financing sources in governmental funds that were \$1.05 million less than the \$29.89 million of expenditures and transfers out.
- In the City's business-type activities, revenues and transfers in were \$10.81 million while expenses were \$9.52 million.
- Total cost of all of the City's governmental programs was \$29.89 million.
- The general fund reported a decline in fund balance of \$913,962.
- The resources available for appropriation were \$329,190 less than budgeted in the general fund. Expenditures were \$618,610 less than budgeted. The general fund decreased fund balance by \$913,962 instead of using \$1,056,678 as projected in the final budget.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements for governmental activities show how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins with the statement of net assets. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets (the difference between assets and liabilities) as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the statement of net assets and the statement of activities, we divide the City into three kinds of activities:

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

- Governmental activities – Most of the City's basic services are reported here, including public safety, public works, recreation, and general administration. Property taxes, franchise fees, and state grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.
- Component units – The City includes two separate legal entities in its report, the Economic Development Corporation and Brownfield Authority. Although legally separate, these component units are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by statute and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The City's two kinds of funds—governmental and proprietary—use different accounting approaches.

Governmental funds. Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation following the fund financial statements.

Proprietary funds. When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact, the City's enterprise fund (a type of proprietary funds) is the same as the business-type activities we report in the government-wide statements but in greater detail. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's motor pool operation.

Reporting the City as Trustee

The City is the trustee, or fiduciary, for its employees' pension plan and retiree's health care - general and public safety employee's fund. It is also responsible for other assets in an agency capacity. All of the City's fiduciary activities are reported in the separate statements of fiduciary net assets and the statement of changes in fiduciary net assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The City as a Whole

The City's total net assets decreased from a year ago – from \$29.00 million to \$25.17 million. Our analysis below focuses on the net assets and changes in net assets of the City's governmental and business-type activities.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

| | Net Assets | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current and other assets | \$21,980,522 | \$23,052,128 | \$ 5,267,258 | \$ 4,405,484 | \$27,247,780 | \$27,457,612 |
| Capital assets, net | 37,425,028 | 36,616,411 | 27,556,806 | 28,193,407 | 64,981,834 | 64,809,818 |
| Total assets | 59,405,550 | 59,668,539 | 32,824,064 | 32,598,891 | 92,229,614 | 92,267,430 |
| Long-term liabilities | 37,071,946 | 35,024,496 | 12,136,997 | 12,134,262 | 49,208,943 | 47,158,758 |
| Net OPEB obligation | 14,438,628 | 10,023,549 | - | - | 14,438,628 | 10,023,549 |
| Other liabilities | 2,641,596 | 4,245,409 | 775,022 | 1,841,720 | 3,416,618 | 6,087,129 |
| Total liabilities | 54,152,170 | 49,293,454 | 12,912,019 | 13,975,982 | 67,064,189 | 63,269,436 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 1,805,028 | 2,076,411 | 15,566,968 | 16,999,368 | 17,371,996 | 19,075,779 |
| Restricted | 16,169,292 | 15,777,896 | - | - | 16,169,292 | 15,777,896 |
| Unrestricted (deficit) | (12,720,940) | (7,479,222) | 4,345,077 | 1,623,541 | (8,375,863) | (5,855,681) |
| Total net assets | \$ 5,253,380 | \$10,375,085 | \$19,912,045 | \$18,622,909 | \$25,165,425 | \$28,997,994 |

Net assets of the City's governmental activities decreased by 49.37 percent, from \$10.38 million compared to \$5.25 million. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from -\$7.48 million at June 30, 2011 to -\$12.71 million at the end of this year. The majority of the reduction in net assets of \$5,121,705 is due to the increase in the net other postemployment benefits obligation.

Governmental net asset decreases can be found on the reconciliation of statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities.

The net assets of the business-type activities increased by 6.92 percent (\$19.91 million compared to \$18.62 million in 2011). This increase was due to revenues exceeding expenses. This trend is expected to change as the City begins replacing its infrastructure (water and sewer mains).

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

| | Change in Net Assets | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,757,561 | \$ 4,330,725 | \$10,726,423 | \$10,688,598 | \$15,483,984 | \$15,019,323 |
| Operating grants | 2,599,832 | 3,062,458 | - | - | 2,599,832 | 3,062,458 |
| Capital grants | 893 | - | - | - | 893 | - |
| General revenues: | | | | | | |
| Property taxes | 15,222,837 | 15,386,783 | - | - | 15,222,837 | 15,386,783 |
| State shared | 2,937,911 | 3,438,471 | - | - | 2,937,911 | 3,438,471 |
| Other taxes | 714,074 | 701,558 | - | - | 714,074 | 701,558 |
| Investment earnings | 60,524 | 60,045 | 30,156 | 24,277 | 90,680 | 84,322 |
| Gain (loss) on sale of capital assets | - | - | - | - | - | - |
| Total revenues | 26,293,632 | 26,980,040 | 10,756,579 | 10,712,875 | 37,050,211 | 37,692,915 |
| Expenses: | | | | | | |
| General government | 4,702,670 | 5,183,968 | - | - | 4,702,670 | 5,183,968 |
| Judicial | 2,536,686 | 2,438,608 | - | - | 2,536,686 | 2,438,608 |
| Public safety | 10,268,074 | 11,807,208 | - | - | 10,268,074 | 11,807,208 |
| Road maintenance | 3,557,279 | 3,773,388 | - | - | 3,557,279 | 3,773,388 |
| Public works | 960,745 | 1,468,111 | - | - | 960,745 | 1,468,111 |
| Health and sanitation | 2,079,476 | 1,938,016 | - | - | 2,079,476 | 1,938,016 |
| Culture and recreation | 966,087 | 1,257,593 | - | - | 966,087 | 1,257,593 |
| Library | 945,653 | 904,488 | - | - | 945,653 | 904,488 |
| Community development | 981,099 | 1,889,763 | - | - | 981,099 | 1,889,763 |
| Interest on long-term debt | 1,563,087 | 1,211,375 | - | - | 1,563,087 | 1,211,375 |
| Unallocated retiree insurance costs | 2,804,481 | - | - | - | 2,804,481 | - |
| Water and sewer | - | - | 9,517,443 | 9,423,302 | 9,517,443 | 9,423,302 |
| Total expenses | 31,365,337 | 31,872,518 | 9,517,443 | 9,423,302 | 40,882,780 | 41,295,820 |
| Change in net assets | | | | | | |
| before transfers | (5,071,705) | (4,892,478) | 1,239,136 | 1,289,573 | (3,832,569) | (3,602,905) |
| Transfers | (50,000) | (50,000) | 50,000 | 50,000 | - | - |
| Change in net assets | (5,121,705) | (4,942,478) | 1,289,136 | 1,339,573 | (3,832,569) | (3,602,905) |
| Net assets: | | | | | | |
| Beginning of year, as restated | 10,375,085 | 15,317,563 | 18,622,909 | 17,283,336 | 28,997,994 | 32,600,899 |
| End of year | \$ 5,253,380 | \$10,375,085 | \$19,912,045 | \$18,622,909 | \$25,165,425 | \$28,997,994 |

The City's total revenue for all programs and services decreased by 1.65 percent (\$622,813). The total cost of all programs and services decreased by 0.95 percent (\$393,149).

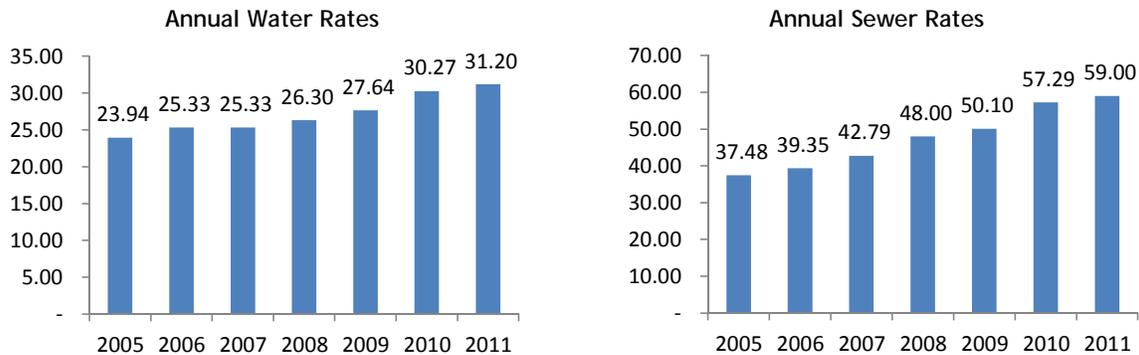
Governmental activities. Revenues for the City's governmental activities decreased by 2.51 percent (\$678,235), while total expenses decreased 1.57 percent (\$499,008).

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

Business-type activities. The City has one business-type activity: the water and sewer system. Revenues of the City's water and sewer fund increased by .52 percent (\$10.70 million in fiscal year 2010-2011 compared to \$10.76 million in fiscal year 2011-2012) and expenses increased by 1.12 percent (\$9.42 million in fiscal year 2010-2011 compared to \$9.52 million in fiscal year 2011-2012). The City reported net income of \$1.30 million in the water and sewer fund. This was a decrease from fiscal year 2010-2011 income of \$1.34 million. The factors driving these results include:

- The City's water and sewer system is old and aging. The City has posted a net income in each of the last five fiscal years, which has led to the general overall health of this fund. It is expected that infrastructure improvements in the near future will be funded from reserves. Continuing improvements in the water and sewer system should provide its users with quality services.
- Water rates increased from \$30.27 to \$31.20 per 1,000 cubic feet in fiscal year 2011-2012. Sewer rates increased from \$57.29 to \$59.00 per 1,000 cubic feet. A recent history of the City's water and sewer rates follows:



The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of \$18.13 million, which is below last year's total of \$19.18 million. Included in this year's total change in fund balance is a decrease of \$913,962 in the City's general fund. In addition, these other changes in fund balances should be noted:

- The City's decrease in property tax revenue was 8.58% in the general fund (\$11.95 million in fiscal year 2010-2011 and \$10.93 million in fiscal year 2011-2012). State shared revenue decreased in the general fund by 14.56 percent (\$504,438). The State of Michigan collects sales tax and redistributes a portion of these collections to local jurisdictions. The City received less because of lower sales tax collections by the State.
- The City has unspent bond proceeds of \$12,087,625 in its municipal complex construction fund due to borrowing through the sale of bonds for the construction of a city hall and public safety building. This fund also contains amounts for the renovation of the library and recreation buildings. It is anticipated the construction will be complete in 2013.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved as projects and contracts were competitively bid and come in higher than originally budgeted. The second included Council approved increases in appropriations when preparing the subsequent year's budget. These appropriations were to adjust the original budget when departments submitted estimated year-end figures that exceeded current budgeted amounts. Finally, the budget was amended at the last City Council meeting of the fiscal year to prevent budget overruns.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The actual charges to appropriations (expenditures) were \$618,610 less than the final budget amounts in the general fund although six departments exceeded their budget. The variances were with information technology (\$945), prosecuting attorney (\$3,328), public information (\$1,944), technical and planning services (\$20,792), public works (\$8,785), and recreation and culture (\$21,530). These variances occurred because of unanticipated costs of health care.

Resources available for appropriation were \$329,190 below the final budgeted amount. Transfers in accounted for the majority of the reduced amount (\$260,000).

General Fund Revenue. The following paragraphs analyze the activities of the City's major funds. General fund revenues totaled \$17,714,430, a decrease of 6.16 percent from the prior year. Revenues by source were as follows:

| General Fund Revenue | | | | | |
|----------------------|---------------------|---------------------|------------------|-----------------------|--------------------------|
| | Fiscal Year | | Percent of Total | Increase (Decrease) | % Change from Prior Year |
| | 2012 | 2011 | | | |
| Property taxes | \$10,925,718 | \$11,951,090 | 61.68% | \$ (1,025,372) | -8.58% |
| Licenses and permits | 410,216 | 324,819 | 2.32% | 85,397 | 26.29% |
| Intergovernmental | 2,976,209 | 3,465,525 | 16.80% | (489,316) | -14.12% |
| Charges for services | 796,597 | 815,679 | 4.50% | (19,082) | -2.34% |
| Fines and forfeits | 1,688,225 | 1,702,798 | 9.53% | (14,573) | -0.86% |
| Interest income | 8,298 | 8,959 | 0.05% | (661) | -7.38% |
| Other | 909,167 | 883,614 | 5.13% | 25,553 | 2.89% |
| Total | \$17,714,430 | \$19,152,484 | 100.00% | \$ (1,438,054) | -7.51% |

Ad valorem taxes provide the City's primary source of revenue. Current collections remain high at 92.26 percent, and the City's total tax rate of 27.2386 per \$1,000 of taxable value is at the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act. The tax rate was increased by 2.7195 mills in fiscal year 2011-2012 due to an increase of 1.5 mills for operating, .5 mills for library and .7195 for debt retirement.

Taxable values in the City decreased an average of 14.81%, led by a decrease of 16.04% in residential real property values. Property tax revenue was limited to an increase of 1.7%. The tax rate for operating purposes increased to 19.8477 in fiscal year 2011-2012 from the prior fiscal year.

Licenses and permits increased by 26.29%. The revenue for building permits accounted for the largest part of this increase (\$22,113). The rebounding economy in Michigan allowed the citizens of Oak Park to invest in their properties.

Intergovernmental revenues decreased 14.12%. The City received lower amounts because the State of Michigan continues to cut revenue sharing in an effort to balance its budget.

Charges for services decreased 2.34% indicating lower usage of recreation programs in fiscal year 2011-2012 although fees were increased.

Ordinance fines levied by the 45-B District Court account for a decrease of .86% in fines and forfeits. The decrease is due to less tickets issued by the Department of Public Safety.

Interest income decreased 7.38%, which is attributable to short-term interest rates decreasing to historical lows.

Miscellaneous income increased 2.89% or \$25,553 in fiscal year 2011-2012.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

General Fund Expenditures. General fund expenditures were \$17,011,688, a decrease of 4.34 percent from the preceding year. Broken down by major function, expenditures were as follows:

| | General Fund Expenditures | | | | |
|------------------------|---------------------------|---------------------|------------------|---------------------|--------------------------|
| | Fiscal Year | | Percent of Total | Increase (Decrease) | % Change from Prior Year |
| | 2012 | 2011 | | | |
| General government | \$ 4,020,488 | \$ 3,862,062 | 20.61% | \$ 158,426 | 4.10% |
| Public safety | 8,453,448 | 9,432,641 | 43.33% | (979,193) | -10.38% |
| Public works | 73,139 | 112,409 | 0.37% | (39,270) | -34.93% |
| Recreation and culture | 866,830 | 918,526 | 4.44% | (51,696) | -5.63% |
| Library | 3,293,302 | 668,867 | 16.88% | 2,624,435 | 392.37% |
| Capital outlay | - | 57,259 | 0.00% | (57,259) | -100.00% |
| Nondepartmental | 2,804,481 | 2,731,642 | 14.37% | 72,839 | 2.67% |
| Total | \$19,511,688 | \$17,783,406 | 100.00% | \$ 1,728,282 | 9.72% |

General fund expenditures decreased \$771,718.

General government expenditures increased \$158,426 in fiscal year 2011-2012. The increase is due to the increase in salary and fringe benefit expenditures related to accrued leave payouts due to retirement of City employees during the year.

The public safety department decreased \$979,197 or 10.38%. Reductions in salaries (\$628,869) and fringe benefits (\$316,373) account for this decrease.

The public works department decreased \$39,270 or 34.93%. This decrease was due to charging salaries and fringe benefits to other funds. The DPW employees worked more on projects that were charged to the other funds resulting in their costs not being charged to the general fund.

Recreation and culture decreased \$51,696 or 5.63%. The reason for this decrease was due to a reduction of employees because of budget cuts.

Library expenditures increased \$124,435 or 18.60%. The majority of this increase is due to \$54,899 charged to the library for retiree health care that was not charged in prior years. The library also paid an additional \$26,000 in technology to the Library Network.

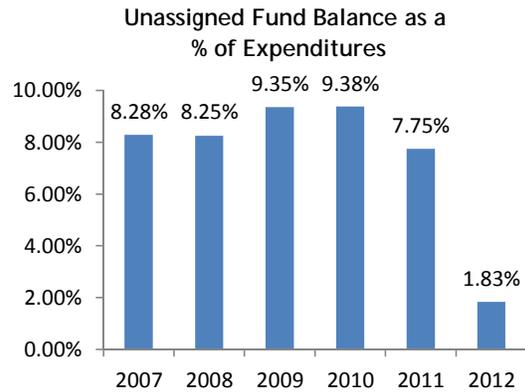
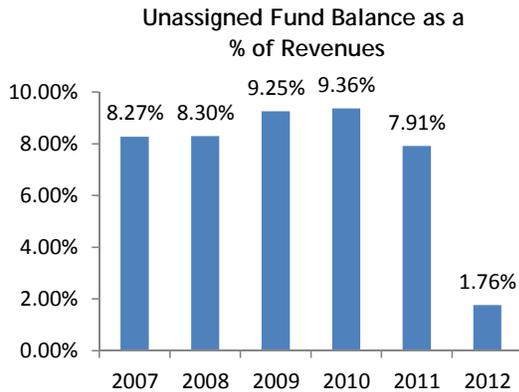
Capital outlay decreased \$57,259 or 100.00%. A decrease in our library collection purchases account for this decrease.

Other nondepartmental expenditures increased \$72,843 due to the health benefits for retirees. The experience in health care usage increased in fiscal year 2011-2012.

General Fund Balance. General fund balance at June 30, 2012 decreased by 62.13 percent or \$913,962 from June 30, 2011. The unassigned-available for appropriation portion of fund balance decreased by \$1,202,487 to a balance of \$312,162, which provides the City with 6.70 days of expenditures, and is equivalent to 0.27 percent of annual expenditures. Our goal is to maintain this percentage at 8.33 to 16.67 percent (one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Unassigned fund balance can be graphically demonstrated as follows:

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis



Municipal Complex Construction Fund. The municipal complex construction fund, a capital projects fund, had a fund balance at June 30, 2012 of \$11,913,310. This fund received \$13.33 million in fiscal year 2010-2011 from proceeds of the sale of bonds. These funds are to be used for the construction of a City Hall and Public Safety building. It is anticipated that the building will be completed in two years.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2012, the City had \$62.48 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and water and sewer lines.

| | Capital Assets (Net of Depreciation) | | | | | |
|---|--------------------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Land | \$ 1,642,187 | \$ 1,642,187 | \$ 11,502 | \$ 11,502 | \$ 1,653,689 | \$ 1,653,689 |
| Rights-of-way | 600,818 | 600,818 | - | - | 600,818 | 600,818 |
| Work in progress | 8,393,822 | 5,232,364 | 1,287,115 | 1,272,556 | 9,680,937 | 6,504,920 |
| Infrastructure - roads | 21,602,700 | 23,517,723 | - | - | 21,602,700 | 23,517,723 |
| Infrastructure - sidewalks | 1,534,338 | 1,725,222 | - | - | 1,534,338 | 1,725,222 |
| Infrastructure - Water/ Sewer System | - | - | 26,251,689 | 26,873,726 | 26,251,689 | 26,873,726 |
| Buildings | 487,984 | 525,287 | 6,500 | 7,367 | 494,484 | 532,654 |
| Public improvements | 1,566,544 | 1,669,974 | - | - | 1,566,544 | 1,669,974 |
| Library collection | 131,503 | 92,168 | - | - | 131,503 | 92,168 |
| Equipment - Vehicles | 1,338,701 | 1,465,416 | - | 28,256 | 1,338,701 | 1,493,672 |
| Equipment - miscellaneous | 126,431 | 145,252 | - | - | 126,431 | 145,252 |
| Total capital assets, net | \$37,425,028 | \$36,616,411 | \$27,556,806 | \$28,193,407 | \$64,981,834 | \$64,809,818 |

This year's major additions included:

| | |
|--|--------------|
| Municipal complex construction-in-progress | \$ 3,161,458 |
| Three public safety vehicles | 72,002 |
| Replace sidewalks | 9,149 |

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The City's fiscal year 2012-2013 capital budget calls for it to spend \$14,509,147 for capital projects, principally for the municipal complex along with the continuation of its road reconstruction program, improvements to the city parks, acquisition of replacement vehicles, and replacement water mains. The City plans to spend \$12.6 million to construct a city hall and public safety building. More detailed information about the City's capital assets is presented in Note 9 to the financial statements.

Long-term Debt. Under current state statutes, the City's net debt may not exceed 10% of the total assessed value of real and personal property as certified by the City Assessor. The City's net debt of \$35,438,601 is 7.47% of assessed value, and provides a legal debt margin of \$111,999,088. Net bonded debt per capita equaled \$1,208.

The long-term debt obligations of the City consist of general obligation bonds outstanding of \$33,120,000 and a capital lease of \$2,500,000.

The general obligation bonds are being retired with revenues from a millage levied on all personal and real property in the City. The City levied 3.7183 mills per \$1,000 of state taxable value in fiscal year 2011-2012 for the retirement of debt. At year-end, the City had \$45,109,838 in bonds outstanding versus \$47,716,759 last year, a decrease of 5.46 percent, as shown in below.

| | Long-term Debt | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| General obligation bonds (backed by the City) | \$33,120,000 | \$34,540,000 | \$11,604,838 | \$12,421,759 | \$44,724,838 | \$46,961,759 |
| Capital lease | 2,500,000 | - | - | - | 2,500,000 | - |
| Revenue bonds (backed by specific fee revenues) | - | - | 385,000 | 755,000 | 385,000 | 755,000 |
| Total | \$35,620,000 | \$34,540,000 | \$11,989,838 | \$13,176,759 | \$47,609,838 | \$47,716,759 |

The City received approval from the voters in November of 2002 to borrow \$22.5 million for the repair of roads and municipal parking lots. The City sold \$11.5 million in general obligation bonds on May 1, 2003, and \$11 million in May 2006.

At June 30, 2012, the 2003 street improvement bonds, the 2006 street improvement bonds, and the 2010 municipal complex bonds were the only outstanding general obligation bonds. These bonds are paid by a tax levied on all taxpayers separate from the operating millage. A mill represents 1 dollar paid for every \$1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2011-2012 was 4.4378 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May 2036.

The City belongs to a consortium of cities known as the Twelve Towns Drain District. This district was formed to collect and treat sewage and stormwater for 14 communities. In 1998 the Michigan Department of Environmental Quality ordered the district to upgrade its retention facility and decrease its excess flows into Lake St. Clair. The total estimated cost of these improvements is \$130 million, of which the City of Oak Park is responsible for 13.48%. This project began in fiscal year 2000-2001.

The District is borrowing funds through construction draw downs to complete this project. As of June 30, 2012 the City is obligated to pay \$11,604,838. Due to the nature of draws the exact obligation will be unknown until the project is complete or no other draws are made. Payments on these obligations continue until 2029, ranging from \$65,707 to \$1,061,080. The City will increase sewer rates to pay this debt.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The City's general obligation Moody's Investor Service underlying bond rating continues to be Aa3 with outstanding debt having the second highest rating due to bond insurance purchased at the time of issuance. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is below this \$47.44 million state-imposed limit.

The City's voters approved the issuance of \$13.4 million of debt in August, 2010. This debt was issued to construct two new buildings and renovate another one in the municipal complex.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 10 to the financial statements.

Economic Factors and Next Year's Budget and Rates

Oak Park (population 29,319) is primarily a residential community located in southeastern Oakland County, Michigan. The local tax base has experienced a decline of 14.81% for fiscal year 2011-2012 and is expected to continue to decline in the following year. This decline signals some difficult years in the near future. Service levels will have to be adjusted to match declining revenue.

In fiscal year 2011-2012, the general fund posted a decrease in fund balance of \$913,962. The current unassigned fund balance of \$312,162 is 1.83% of expenditures. Management's fiscal policy is to maintain reserves between 8%-16% of annual expenditures. The City, which relies heavily on property taxes (61.68% of total revenue), is operating at the state-authorized tax rate limit. The City adopted a balanced budget for fiscal year 2012-2013.

Overall net general bonded debt is moderate, at \$1,209 per capita and 7.47% of assessed value.

The City's elected and appointed officials considered many factors when setting the fiscal year 2012-2013 budget including tax rates and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 12.9 percent versus 14.6 percent a year ago. This compares with the State's unemployment rate of 9.3 percent and the national rate of 7.7 percent.

The metropolitan area has experienced a small increase in the Consumer Price Index (CPI). The Detroit area's CPI increase was 2.4 percent for 2012 compared with the average national rate of -0.3 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2012-2013. The fiscal year 2012-2013 budget was adopted in May 2012 during the economic downturn that is affecting municipalities throughout the state. Amounts available for appropriation in the general fund budget are \$16.95 million, a decrease of 2.0 percent over the final fiscal year 2011-2012 amount of \$17.71 million. Property tax revenue is budgeted to decrease 10.63%. Other revenue sources are expected to decrease slightly or remain flat. Budgeted expenditures are expected to decrease slightly, to \$16.52 million from \$16.74 million in fiscal year 2011-2012. The City has added no major new programs or initiatives to the fiscal year 2011-2012 budget.

The expense plan for the water and sewer fund for fiscal year 2012-2013 is \$11,071,086, an increase of \$324,773 from fiscal year 2011-2012. The plan includes an increase in water rates of 4.0%. Sewer disposal rates increased from \$59.00 per 1,000 cubic feet to \$60.79 per 1,000 cubic feet. This increase is necessary due to a 4.1% increase in the wholesale sewage rate from Oakland County.

The water and sewer fund plan provided \$275,000 for replacement of water mains.

This plan includes expenses for the Twelve Towns Drain System (known also as the George W. Kuhn Drain). Construction continues and ten bonds have been issued to pay for the cost. The City is responsible for 13.48% of the cost. Debt payments have been built into the budget and sewer rates increased to meet our obligations. The George W. Kuhn Drain debt payment will be \$841,198 in fiscal year 2012-2013.

CITY OF OAK PARK, MICHIGAN

■ Management's Discussion and Analysis

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Administrative Services' Office, at the City of Oak Park, 13600 Oak Park Blvd., Oak Park, MI, 48237.

BASIC FINANCIAL STATEMENTS

CITY OF OAK PARK, MICHIGAN

Statement of Net Assets

June 30, 2012

| | Primary Government | | | Component Units |
|---|-------------------------|--------------------------|----------------------|------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Cash and investments | \$ 18,429,427 | \$ 2,482,625 | \$ 20,912,052 | \$ 34,786 |
| Receivables, net | 3,119,611 | 2,775,936 | 5,895,547 | 8 |
| Restricted cash and investments | 101,127 | - | 101,127 | - |
| Prepaid items | 330,357 | 8,697 | 339,054 | - |
| Capital assets not being depreciated | 10,636,827 | 1,298,617 | 11,935,444 | - |
| Capital assets being depreciated, net | 26,788,201 | 26,258,189 | 53,046,390 | - |
| Total assets | 59,405,550 | 32,824,064 | 92,229,614 | 34,794 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | 2,216,803 | 775,022 | 2,991,825 | - |
| Payables from restricted assets | 101,127 | - | 101,127 | - |
| Unearned revenue | 323,666 | - | 323,666 | - |
| Long-term liabilities: | | | | |
| Due within one year | 1,262,850 | 1,226,198 | 2,489,048 | - |
| Due in more than one year | 35,809,096 | 10,910,799 | 46,719,895 | - |
| Other noncurrent liability - net other postemployment benefits obligation | 14,438,628 | - | 14,438,628 | - |
| Total liabilities | 54,152,170 | 12,912,019 | 67,064,189 | - |
| Net assets | | | | |
| Invested in capital assets, net of related debt | 1,805,028 | 15,566,968 | 17,371,996 | - |
| Restricted for: | | | | |
| Capital projects | 13,624,432 | - | 13,624,432 | - |
| Debt service | 109,780 | - | 109,780 | - |
| Special purposes | 2,435,080 | - | 2,435,080 | - |
| Unrestricted (deficit) | (12,720,940) | 4,345,077 | (8,375,863) | 34,794 |
| Total net assets | \$ 5,253,380 | \$ 19,912,045 | \$ 25,165,425 | \$ 34,794 |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2012

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|--------------------------------------|----------------------|-------------------------|--|--|-----------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 4,702,670 | \$ 1,328,037 | \$ - | \$ - | \$ (3,374,633) |
| Judicial | 2,536,686 | 185,301 | 92,268 | - | (2,259,117) |
| Public safety | 10,268,074 | 46,635 | 66,458 | - | (10,154,981) |
| Road maintenance and repair | 3,557,279 | 148,312 | 1,569,083 | - | (1,839,884) |
| Public works | 960,745 | 294,580 | - | 893 | (665,272) |
| Health and sanitation | 2,079,476 | 1,101,773 | - | - | (977,703) |
| Culture and recreation | 966,087 | - | - | - | (966,087) |
| Library | 945,653 | 11,436 | 56,485 | - | (877,732) |
| Community development | 981,099 | 365 | 815,538 | - | (165,196) |
| Interest and fiscal charges | 1,563,087 | - | - | - | (1,563,087) |
| Unallocated retiree insurance costs | 2,804,481 | 1,641,122 | - | - | (1,163,359) |
| Total governmental activities | 31,365,337 | 4,757,561 | 2,599,832 | 893 | (24,007,051) |
| Business-type activities - | | | | | |
| Water and sewer | 9,517,443 | 10,726,423 | - | - | 1,208,980 |
| Total primary government | \$ 40,882,780 | \$ 15,483,984 | \$ 2,599,832 | \$ 893 | \$ (22,798,071) |
| Component units | | | | | |
| Economic Development Corporation | - | - | - | - | - |
| Brownfield Authority | - | - | - | - | - |
| Total component units | \$ - | \$ - | \$ - | \$ - | \$ - |

continued...

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Activities
For the Year Ended June 30, 2012

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|-----------------|--------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Change in net assets | | | | |
| Net (expense) revenue | \$ (24,007,051) | \$ 1,208,980 | \$ (22,798,071) | \$ - |
| General revenues: | | | | |
| Property taxes levied for: | | | | |
| General purposes | 12,817,499 | - | 12,817,499 | 46,946 |
| Debt services | 2,405,338 | - | 2,405,338 | - |
| State shared revenues | 2,937,911 | - | 2,937,911 | - |
| Franchise fees | 714,074 | - | 714,074 | - |
| Investment earnings | 60,524 | 30,156 | 90,680 | 54 |
| Transfers | (50,000) | 50,000 | - | - |
| Total general revenues and transfers | 18,885,346 | 80,156 | 18,965,502 | 47,000 |
| Change in net assets | (5,121,705) | 1,289,136 | (3,832,569) | 47,000 |
| Net assets (deficit), beginning of year, as restated | 10,375,085 | 18,622,909 | 28,997,994 | (12,206) |
| Net assets, end of year | \$ 5,253,380 | \$ 19,912,045 | \$ 25,165,425 | \$ 34,794 |

concluded

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Balance Sheet
 Governmental Funds
 June 30, 2012

| | General | Neighborhood Stabilization Program | Municipal Complex Construction | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--|--------------------------------------|--------------------------------|--------------------------------|
| Assets | | | | | |
| Cash and investments | \$ 251,412 | \$ 63,293 | \$ 12,087,625 | \$ 5,434,819 | \$ 17,837,149 |
| Receivables: | | | | | |
| Taxes | 462,461 | - | - | 148,489 | 610,950 |
| Special assessments | 809 | - | - | 33,091 | 33,900 |
| Accounts | 335,161 | - | - | 449,204 | 784,365 |
| Accrued interest | 381 | - | 4,178 | 1,707 | 6,266 |
| Due from other governments | 487,380 | 787,339 | - | 409,204 | 1,683,923 |
| Due from other funds | 417,123 | - | - | 283,610 | 700,733 |
| Restricted assets - cash | - | - | - | 101,127 | 101,127 |
| Prepaid items | 245,037 | - | - | 22,815 | 267,852 |
| Total assets | \$ 2,199,764 | \$ 850,632 | \$ 12,091,803 | \$ 6,884,066 | \$ 22,026,265 |
| Liabilities | | | | | |
| Accounts payable | \$ 416,899 | \$ 12,180 | \$ 178,493 | \$ 196,869 | \$ 804,441 |
| Accounts payable from restricted assets | - | - | - | 101,127 | 101,127 |
| Accrued liabilities | 287,306 | 1,022 | - | 63,085 | 351,413 |
| Due to other funds | - | - | - | 700,733 | 700,733 |
| Due to other governments | - | 844,282 | - | - | 844,282 |
| Deferred revenue | 938,360 | - | - | 153,079 | 1,091,439 |
| Total liabilities | 1,642,565 | 857,484 | 178,493 | 1,214,893 | 3,893,435 |
| Fund balances | | | | | |
| Nonspendable | 245,037 | - | - | 22,815 | 267,852 |
| Restricted | - | - | 11,913,310 | 4,233,249 | 16,146,559 |
| Assigned | - | - | - | 1,413,109 | 1,413,109 |
| Unassigned (deficit) | 312,162 | (6,852) | - | - | 305,310 |
| Total fund balances | 557,199 | (6,852) | 11,913,310 | 5,669,173 | 18,132,830 |
| Total liabilities and fund balances | \$ 2,199,764 | \$ 850,632 | \$ 12,091,803 | \$ 6,884,066 | \$ 22,026,265 |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Assets of Governmental Activities
June 30, 2012

| | |
|---|---------------------|
| Fund balances - total governmental funds | \$ 18,132,830 |
| Amounts reported for <i>governmental activities</i> in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement. | |
| Capital assets not being depreciated | 10,636,827 |
| Capital assets being depreciated, net | 25,449,499 |
| The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenue in the governmental funds, and thus are not included in fund balance. | |
| Deferred accounts and property taxes receivable | 767,773 |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities. | |
| Net assets of governmental activities accounted for in internal service funds | 1,887,004 |
| Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds. | |
| Accrued interest on long-term debt | (111,312) |
| Bonds payable | (35,620,000) |
| Net other postemployment benefit obligation | (14,438,628) |
| Accrued compensated absences | (1,450,613) |
| Net assets of governmental activities | <u>\$ 5,253,380</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2012

| | General | Neighborhood Stabilization Program | Municipal Complex Construction | Other Governmental Funds | Total Governmental Funds |
|--|-------------------|--|--------------------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | |
| Property taxes | \$ 10,925,718 | \$ - | \$ - | \$ 3,880,649 | \$ 14,806,367 |
| Special assessments | - | - | - | 213,990 | 213,990 |
| Licenses and permits | 410,216 | - | - | - | 410,216 |
| Intergovernmental: | | | | | |
| Federal grants | 15,122 | 431,064 | - | 384,474 | 830,660 |
| State grants | 2,961,087 | - | - | 1,706,254 | 4,667,341 |
| Charges for services | 796,597 | 365 | - | 1,288,027 | 2,084,989 |
| Fines and forfeitures | 1,688,225 | - | - | 251,703 | 1,939,928 |
| Interest income | 8,298 | 115 | 29,198 | 21,469 | 59,080 |
| Other | 909,167 | - | - | - | 909,167 |
| Total revenues | 17,714,430 | 431,544 | 29,198 | 7,746,566 | 25,921,738 |
| Expenditures | | | | | |
| Current: | | | | | |
| Judicial | - | - | - | 2,068,527 | 2,068,527 |
| General government | 4,020,488 | - | - | - | 4,020,488 |
| Public safety | 8,453,448 | - | - | 10,401 | 8,463,849 |
| Road maintenance and repair | - | - | - | 1,175,485 | 1,175,485 |
| Public works | 73,139 | - | - | 2,080,480 | 2,153,619 |
| Recreation and culture | 866,830 | - | - | - | 866,830 |
| Library | 3,293,302 | - | - | - | 3,293,302 |
| Community development | - | 431,063 | - | 384,488 | 815,551 |
| Nondepartmental retiree insurance costs | 2,804,481 | - | - | - | 2,804,481 |
| Debt service: | | | | | |
| Principal | - | - | - | 1,420,000 | 1,420,000 |
| Interest | - | - | - | 1,440,644 | 1,440,644 |
| Prior year tax refunds | - | - | - | 11,131 | 11,131 |
| Capital outlay and construction | - | - | 661,459 | 221,919 | 883,378 |
| Total expenditures | 19,511,688 | 431,063 | 661,459 | 8,813,075 | 29,417,285 |
| Revenues over (under) expenditures | (1,797,258) | 481 | (632,261) | (1,066,509) | (3,495,547) |
| Other financing sources (uses) | | | | | |
| Issuance of capital lease | 2,500,000 | - | - | - | 2,500,000 |
| Transfers in | 260,000 | - | - | 2,659,289 | 2,919,289 |
| Transfers out | (1,876,704) | - | - | (1,092,585) | (2,969,289) |
| Total other financing sources (uses) | 883,296 | - | - | 1,566,704 | 2,450,000 |
| Net change in fund balances | (913,962) | 481 | (632,261) | 500,195 | (1,045,547) |
| Fund balances (deficit), beginning of year, as restated | 1,471,161 | (7,333) | 12,545,571 | 5,168,978 | 19,178,377 |
| Fund balances (deficit), end of year | \$ 557,199 | \$ (6,852) | \$ 11,913,310 | \$ 5,669,173 | \$ 18,132,830 |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Assets of Governmental Activities
For the Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$ (1,045,547)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|----------------------|-------------|
| Capital outlay | 3,228,752 |
| Depreciation expense | (2,293,420) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

| | |
|--|----------|
| Net change in deferred property taxes receivable | 416,470 |
| Net change in accounts receivable | (46,019) |

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

| | |
|---|-------------|
| Principal payments on long-term liabilities | 1,420,000 |
| Issuance of capital lease | (2,500,000) |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

| | |
|---|-------------|
| Change in accrued interest payable on long-term debt | (111,312) |
| Change in net other postemployment benefit obligation | (4,415,079) |
| Change in the accrual for compensated absences | 546,973 |

An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

| | |
|---|-----------|
| Interest income from internal service funds | 1,444 |
| Operating loss from governmental activities in internal service funds | (323,967) |

Change in net assets of governmental activities \$ (5,121,705)

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - General Fund
 For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|--|---------------------|--------------------|--------------------|----------------------------------|
| Revenues | | | | |
| Taxes | \$ 11,386,042 | \$ 11,332,000 | \$ 10,925,718 | \$ (406,282) |
| Licenses and permits | 249,300 | 392,800 | 410,216 | 17,416 |
| Intergovernmental: | | | | |
| Federal grants | - | - | 15,122 | 15,122 |
| State grants | 3,204,695 | 3,021,620 | 2,961,087 | (60,533) |
| Service charges | 847,000 | 806,500 | 796,597 | (9,903) |
| Fines and forfeits | 1,735,500 | 1,695,000 | 1,688,225 | (6,775) |
| Interest income | 12,000 | 3,500 | 8,298 | 4,798 |
| Other | 806,800 | 792,200 | 909,167 | 116,967 |
| Total revenues | 18,241,337 | 18,043,620 | 17,714,430 | (329,190) |
| Expenditures | | | | |
| Current: | | | | |
| General government: | | | | |
| City council | 118,466 | 123,466 | 100,190 | (23,276) |
| City manager | 310,896 | 310,896 | 310,157 | (739) |
| Information technology | 183,480 | 183,523 | 184,468 | 945 |
| City attorney | 235,000 | 235,000 | 230,615 | (4,385) |
| Prosecuting attorney | 94,402 | 101,402 | 104,730 | 3,328 |
| City clerk | 328,920 | 328,920 | 322,493 | (6,427) |
| Finance and administrative services | 834,660 | 944,660 | 888,472 | (56,188) |
| Public information | 223,182 | 223,182 | 225,126 | 1,944 |
| Technical and planning services | 1,703,046 | 1,633,445 | 1,654,237 | 20,792 |
| Public safety | 8,100,952 | 8,930,920 | 8,453,448 | (477,472) |
| Public works | 87,462 | 64,354 | 73,139 | 8,785 |
| Recreation and culture | 845,303 | 845,300 | 866,830 | 21,530 |
| Library | 845,525 | 805,187 | 3,293,302 | 2,488,115 |
| Nondepartmental retiree insurance costs | 2,826,195 | 2,900,043 | 2,804,481 | (95,562) |
| Total expenditures | 16,737,489 | 17,630,298 | 19,511,688 | 1,881,390 |
| Revenues over (under) expenditures | 1,503,848 | 413,322 | (1,797,258) | (2,210,580) |
| Other financing sources (uses) | | | | |
| Issuance of capital lease | - | - | 2,500,000 | 2,500,000 |
| Transfers in | 260,000 | 260,000 | 260,000 | - |
| Transfers out | (1,725,200) | (1,730,000) | (1,876,704) | (146,704) |
| Total other financing sources (uses) | (1,465,200) | (1,470,000) | 883,296 | 2,353,296 |
| Net change in fund balances | 38,648 | (1,056,678) | (913,962) | (2,357,284) |
| Fund balances, beginning of year, as restated | 1,471,161 | 1,471,161 | 1,471,161 | - |
| Fund balances, end of year | \$ 1,509,809 | \$ 414,483 | \$ 557,199 | \$ (2,357,284) |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Neighborhood Stabilization Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|--|--------------------|-------------------|-------------------|--|
| Revenue | | | | |
| Intergovernmental - | | | | |
| Federal grants | \$ 1,028,145 | \$ 510,000 | \$ 431,064 | \$ (78,936) |
| Charges for services | - | - | 365 | 365 |
| Interest income | - | - | 115 | 115 |
| Total revenues | 1,028,145 | 510,000 | 431,544 | (78,456) |
| Expenditures | | | | |
| Current - | | | | |
| Community development | 1,028,145 | 510,000 | 431,063 | (78,937) |
| Net change in fund balances | - | - | 481 | 481 |
| Fund balances (deficit), beginning of year, as restated | (7,333) | (7,333) | (7,333) | - |
| Fund balances (deficit), end of year | \$ (7,333) | \$ (7,333) | \$ (6,852) | \$ 481 |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Net Assets

Proprietary Funds

June 30, 2012

| | Business-type Activities | Governmental Activities |
|---|------------------------------------|----------------------------|
| | Water and Sewer Enterprise Fund | Internal Service Funds |
| Assets | | |
| Current assets: | | |
| Cash and investments | \$ 2,482,625 | \$ 592,278 |
| Receivables: | | |
| Special assessments | 64,943 | - |
| Accounts | 2,488,988 | - |
| Accrued interest | 867 | 207 |
| Due from other governments | 221,138 | - |
| Prepaid items | 8,697 | 62,505 |
| Total current assets | <u>5,267,258</u> | <u>654,990</u> |
| Noncurrent assets: | | |
| Capital assets not being depreciated | 1,298,617 | - |
| Capital assets being depreciated, net | 26,258,189 | 1,338,702 |
| Total noncurrent assets | <u>27,556,806</u> | <u>1,338,702</u> |
| Total assets | <u>32,824,064</u> | <u>1,993,692</u> |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 660,942 | 10,966 |
| Accrued liabilities | 114,080 | 94,389 |
| Current portion of long-term debt | 1,226,198 | - |
| Total current liabilities | <u>2,001,220</u> | <u>105,355</u> |
| Noncurrent liabilities, net of current portion: | | |
| Accumulated compensated absences | 147,159 | 1,333 |
| Bonds payable | 10,763,640 | - |
| Total noncurrent liabilities | <u>10,910,799</u> | <u>1,333</u> |
| Total liabilities | <u>12,912,019</u> | <u>106,688</u> |
| Net assets | | |
| Invested in capital assets, net of related debt | 15,566,968 | 1,338,702 |
| Unrestricted | 4,345,077 | 548,302 |
| Total net assets | <u>\$ 19,912,045</u> | <u>\$ 1,887,004</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2012

| | Business-type Activities | Governmental Activities |
|--|------------------------------------|----------------------------|
| | Water and Sewer Enterprise Fund | Internal Service Funds |
| Operating revenues | | |
| Charges for services | \$ 10,725,853 | \$ 928,652 |
| Miscellaneous | 570 | 296,016 |
| Total operating revenues | <u>10,726,423</u> | <u>1,224,668</u> |
| Operating expenses | | |
| Gasoline | - | 187,997 |
| Professional services | - | 14,998 |
| Supplies | - | 145,476 |
| Postage | - | 56,948 |
| Water | 983,758 | - |
| Sewage treatment | 5,133,253 | - |
| Transmission and distribution | 898,597 | - |
| Maintenance and operation | 941,769 | - |
| Customer accounting and collection | 212,293 | - |
| General and administration | 331,229 | - |
| Depreciation | 651,160 | 198,717 |
| Wages and benefits | - | 198,579 |
| Insurance | - | 745,920 |
| Total operating expenses | <u>9,152,059</u> | <u>1,548,635</u> |
| Operating income (loss) | <u>1,574,364</u> | <u>(323,967)</u> |
| Nonoperating revenues (expenses) | | |
| Interest income | 30,156 | 1,444 |
| Interest expense | (365,384) | - |
| Total nonoperating revenues (expenses) | <u>(335,228)</u> | <u>1,444</u> |
| Income (loss) before transfers | 1,239,136 | (322,523) |
| Transfers in | <u>50,000</u> | <u>-</u> |
| Change in net assets | 1,289,136 | (322,523) |
| Net assets, beginning of year, as restated | <u>18,622,909</u> | <u>2,209,527</u> |
| Net assets, end of year | <u>\$ 19,912,045</u> | <u>\$ 1,887,004</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2012

| | Business-type Activities | Governmental Activities |
|---|------------------------------------|----------------------------|
| | Water and Sewer Enterprise Fund | Internal Service Funds |
| Cash flows from operating activities | | |
| Receipts from customers | \$ 11,450,531 | \$ - |
| Receipts from interfund services | - | 928,652 |
| Payments to suppliers | (7,018,851) | (693,833) |
| Payments to employees | (1,357,680) | (665,114) |
| Miscellaneous receipts | - | 296,016 |
| | <u>3,074,000</u> | <u>(134,279)</u> |
| Net cash provided (used) by operating activities | | |
| Cash flows from noncapital financing activities | | |
| Transfers in | 50,000 | - |
| | <u>50,000</u> | <u>-</u> |
| Cash flows from capital and related financing activities | | |
| Purchases of capital assets | (14,559) | (72,002) |
| Principal paid on long-term debt | (1,186,921) | - |
| Interest paid on capital debt | (365,384) | - |
| | <u>(1,566,864)</u> | <u>(72,002)</u> |
| Net cash used by capital and related financing activities | | |
| Cash flows from investing activities | | |
| Interest and dividends | 29,431 | 1,363 |
| | <u>29,431</u> | <u>1,363</u> |
| Net change in cash and investments | 1,586,567 | (204,918) |
| Cash and investments, beginning of year | 896,058 | 797,196 |
| | <u>896,058</u> | <u>797,196</u> |
| Cash and investments, end of year | <u>\$ 2,482,625</u> | <u>\$ 592,278</u> |

continued....

CITY OF OAK PARK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2012

| | Business-type Activities | Governmental Activities |
|--|------------------------------------|----------------------------|
| | Water and Sewer Enterprise Fund | Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 1,574,364 | \$ (323,967) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation expense | 651,160 | 198,717 |
| Change in assets and liabilities: | | |
| Special assessments receivable | 37,138 | - |
| Accounts receivable | 672,634 | - |
| Due from other governments | 14,336 | - |
| Prepaid items | 1,410 | 14,670 |
| Accounts payable | 121,899 | (25,681) |
| Accrued liabilities | (1,676) | 649 |
| Accrued compensated absences | 2,735 | 1,333 |
| Net cash provided (used) by operating activities | <u>\$ 3,074,000</u> | <u>\$ (134,279)</u> |

concluded

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Net Assets

Fiduciary Funds

June 30, 2012

| | Pension and Other Employee Benefit Trust Funds | Agency Funds |
|--|--|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,548,572 | \$ 187,291 |
| Receivables: | | |
| Accounts | - | 171 |
| Accrued interest | 221,278 | - |
| Investments, at fair value: | | |
| U.S. government obligations | 5,535,364 | - |
| Mortgage backed securities | 2,582,657 | - |
| Corporate bonds | 11,540,227 | - |
| Corporate stocks | 35,840,215 | - |
| Total assets | 57,268,313 | \$ 187,462 |
| Liabilities | | |
| Accounts payable | 8,717 | \$ - |
| Undistributed receipts | - | 187,462 |
| Total liabilities | 8,717 | \$ 187,462 |
| Net assets | | |
| Held in trust for pension benefits and other purposes | \$ 57,259,596 | |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Changes in Net Assets

Fiduciary Funds

For the Year Ended June 30, 2012

| | Pension and Other Employee Benefit Trust Funds |
|---|--|
| Additions | |
| Contributions: | |
| Employer | \$ 5,575,166 |
| Plan members | 457,526 |
| Total contributions | <u>6,032,692</u> |
| Investment earnings | |
| Net appreciation in fair value of investments | 784,943 |
| Interest | 770,476 |
| Dividends | 808,516 |
| Total investment earnings | <u>2,363,935</u> |
| Less: investment management expense | <u>(208,117)</u> |
| Net investment earnings | <u>2,155,818</u> |
| Total additions | <u>8,188,510</u> |
| Deductions | |
| Benefits | 9,383,787 |
| Refunds, rebates and administration | 13,932 |
| Total deductions | <u>9,397,719</u> |
| Change in net assets | (1,209,209) |
| Net assets, beginning of year | <u>58,468,805</u> |
| Net assets, end of year | <u>\$ 57,259,596</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Assets

Discretely Presented Component Units

June 30, 2012

| | Economic Development Corporation | Brownfield Authority | Total Component Units |
|-----------------------------|--|-------------------------|-----------------------------|
| Assets | | | |
| Cash and investments | \$ 11,801 | \$ 22,985 | \$ 34,786 |
| Accrued interest receivable | - | 8 | 8 |
| Total assets | <u>\$ 11,801</u> | <u>\$ 22,993</u> | <u>\$ 34,794</u> |
| Net assets | | | |
| Unrestricted | <u>\$ 11,801</u> | <u>\$ 22,993</u> | <u>\$ 34,794</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended June 30, 2012

| | Economic Development Corporation | Brownfield Authority | Total Component Units |
|---|--|-------------------------|-----------------------------|
| Expenses | | | |
| Community Development | \$ - | \$ - | \$ - |
| General revenues | | | |
| Property taxes | - | 46,946 | 46,946 |
| Investment earnings | 5 | 49 | 54 |
| Total general revenues | 5 | 46,995 | 47,000 |
| Changes in net assets | 5 | 46,995 | 47,000 |
| Net assets (deficit), beginning of year | 11,796 | (24,002) | (12,206) |
| Net assets, end of year | \$ 11,801 | \$ 22,993 | \$ 34,794 |

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oak Park, Michigan (the "City"), was incorporated October 30, 1945. The City operates under a Mayor/Council-Manager form of government and provides the following services as authorized by the charter: public safety (police and fire), building ordinance enforcement, highways and streets, sanitation, parks and recreation, public improvement, planning and zoning, library service, water, sewer and refuse removal.

The accounting policies of the City of Oak Park conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City's reporting entity because they are entities for which the City is considered to be financially accountable.

Blended Component Unit

The City of Oak Park Municipal Building Authority is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan, and is presented as a blended component unit. The Municipal Building Authority is governed by a board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is for acquiring and owning facilities for the use of the City of Oak Park.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the City's other component units. They are reported in separate columns to emphasize that they are legally separate from the City. The following component units are included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organizations.

Economic Development Corporation (EDC). The EDC is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of promoting development in the City. The Economic Development Corporation is governed by a Board that is appointed by the City Council. The City has the ability to significantly influence the daily operations of the Corporation.

Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority was established to promote the redevelopment of, and private investment in, environmentally distressed properties within the City. The Brownfield Redevelopment Authority is governed by a Board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the respective fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Property taxes, franchise fees, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The *neighborhood stabilization program fund* accounts for federal grants passed through from Oakland County for the community development block grant.

The *municipal complex construction capital projects fund* is used to account for the construction of a new city hall and public safety building funded by the 2010 Municipal Complex Bonds.

The City reports the following major enterprise fund:

The *water and sewer fund* accounts for the operation of the City's water and sewer systems. The fund is financed and operated in a manner similar to a private enterprise. The intent is that costs (expenses, including depreciation) of providing water and sewer services to the general public are recovered through user charges.

In addition the City reports the following governmental fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City reports on four internal service funds: 1) the risk management fund is used to accumulate resources from other funds, which utilize labor, and to pay workers compensation premiums to the Michigan Municipal League's workers compensation pool, and for the City's property and liability insurance; 2) the central services fund is used to account for printing, duplicating, and mail services performed for the City's departments; 3) the motor pool fund is used for the purchase and maintenance of the City's fleet through rental charges for equipment to other funds; 4) the court retiree's health care fund is used for the accumulation of assets to fund retiree's health care for District court employees.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Pension and other employee benefits trust funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds. The City has a pension trust fund and retiree's health care fund - general and public safety, which accounts for assets, liabilities, revenues and expenses in essentially the same manner as proprietary funds.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and/or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has a payroll agency fund used to account for payment of employee payrolls. It also uses an escrow agency fund used to hold assets belonging to other persons or entities such as bond deposits.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the wastewater and water enterprise funds and of the government's internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net assets are assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities and Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair value.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Interfund Receivables and Payables

In addition to transactions related to pooled cash, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are included in the "due from other funds" or "due to other funds" accounts on the balance sheet.

Prepaid Items

Prepaid items represent payments made to vendors for goods and services applicable to future fiscal years. Prepaids of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepaid items are offset by nonspendable fund balance in governmental funds.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets used by proprietary fund types is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund type statements of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

| | Years |
|----------------------------|--------|
| Water and sewer system | 20-100 |
| Roads | 25 |
| Sidewalks | 20 |
| Vehicles | 3-10 |
| Machinery and equipment | 3-30 |
| Buildings and improvements | 10-50 |
| Library books | 5 |

Deferred Revenues

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in a debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the statement of net assets. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and net of any deferred charges on bond refundings. Issuance costs are reported as deferred charges.

Pension Plans

The provision for pension cost is recorded on an accrual basis, and the City's policy is to fund pension costs as they accrue.

Special Assessments

Special assessments are recorded as revenues when due, not when levied. Estimated annual installments not yet available are reflected as deferred revenue. Special assessments are billed annually on June 1 and are due and payable August 1.

Compensated Absences

The City accrues vacation pay, sick pay (at fifty percent of unused sick days), compensatory time off, and any salary-related payments for these compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The current obligations of all funds and the long-term obligations of proprietary funds are recorded in the respective funds. City employees are granted vacation time based on length of service. Most employees have the option of receiving compensatory time off in lieu of pay for overtime worked up to 40 hours. Sick pay is earned at the rate of one day per month, and unused sick days may be accumulated up to 150 days. Employees will be paid for 50 percent of total accumulation upon retirement.

Unused sick and vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Unused sick and vacation is accrued when incurred in proprietary funds and reported as a liability. For governmental funds, the current portion of the liability for compensated absences reflects only the unpaid balance of reimbursable unused leave for employees that terminated by the fiscal year end. In accordance with GAAP, for the governmental funds, in the fund financial statements, the noncurrent portion of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. In addition to the proprietary funds, the general fund, and several nonmajor special revenue funds have been used to liquidate the liability for compensated absences.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

2. COMPLIANCE INFORMATION

Budgetary Data

Budgets are adopted on the modified accrual basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. Annual budgets lapse at year-end.

The level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department (activity) level for the general fund and the activity level for special revenue funds.

The governing body must approve budget amendments at the activity level and supplemental appropriations, which affect total fund expenditures. Department Directors or the City Manager can transfer appropriations between line items within a department or activity without governing body approval. Supplemental appropriations were necessary during the year, which increased total expenditures.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end, however, material encumbrances generally are reappropriated as part of the following year's budget. These material encumbrances outstanding at year-end, if any, are reported as assignments of fund balance since they do not constitute expenditures or liabilities.

Fund Deficit

As of June 30, 2012, the neighborhood stabilization program special revenue fund had a deficit of \$6,852. This fund accounts for the costs of running the neighborhood stabilization program. This deficit is temporary and will be eliminated during the next few fiscal years through interest income and revenues from water escrows due to sales of homes.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

3. EXCESS OF EXPENDITURES OVER BUDGET

P.A. 621 of 1978 of the State of Michigan, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body. Budgets are required by State law for general and special revenue funds.

In the body of the financial statements, the City's actual and budgeted expenditures for the budgetary funds have been shown on an activity level for the general fund and on a functional basis for all other funds, with the approved budgets of the City of those budgetary funds being adopted at the activity or department level.

During the year ended June 30, 2012, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

| | Final Budget | Actual | Actual Over Budget |
|--|-----------------|------------|-----------------------|
| General fund | | | |
| Information technology | \$ 183,523 | \$ 184,468 | \$ (945) |
| Prosecuting attorney | 101,402 | 104,730 | (3,328) |
| Public information | 223,182 | 225,126 | (1,944) |
| Technical and planning services | 1,633,445 | 1,654,237 | (20,792) |
| Public works | 64,354 | 73,139 | (8,785) |
| Recreation and culture | 845,300 | 866,830 | (21,530) |
| Library | 805,187 | 3,293,302 | (2,488,115) |
| Nonmajor governmental funds | | | |
| Community development block grant fund - | | | |
| Community development | 120,651 | 122,265 | (1,614) |
| Caseflow assistance fund - Judicial | 7,000 | 18,949 | (11,949) |
| 45-B District Court fund - Judicial | 1,978,220 | 2,049,578 | (71,358) |

The City's appropriation resolution is generally passed during the May preceding the fiscal year in which the planned expenditures relate. Subsequent amendments are made to avoid unfavorable variances from the original budget. Related resolutions are made to state the purpose and amount of the changes. The City Manager has the responsibility to enforce the budget. Unused appropriations do not carry forward to the next fiscal year.

4. BUILDING PERMITS AND RELATED COSTS

The City has the following revenues and costs related to building permits:

| | Prior Years | 2012 | Total |
|----------------------|---------------------|---------------------|---------------------|
| Revenue | \$ 116,557 | \$ 182,863 | \$ 299,420 |
| Expenditures | (367,394) | (316,990) | (684,384) |
| Shortfall at June 30 | <u>\$ (250,837)</u> | <u>\$ (134,127)</u> | <u>\$ (384,964)</u> |

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2012:

| | Primary Government | Component Units | Totals |
|---|-----------------------|--------------------|----------------------|
| Statement of net assets | | | |
| Cash and investments | \$ 20,912,052 | \$ 34,786 | \$ 20,946,838 |
| Restricted cash | 101,127 | - | 101,127 |
| Statement of fiduciary net assets | | | |
| Pension and other employee benefit trust funds: | | | |
| Cash and cash equivalents | 1,548,572 | - | 1,548,572 |
| Investments | 55,498,463 | - | 55,498,463 |
| Agency funds - | | | |
| Cash and cash equivalents | 187,291 | - | 187,291 |
| Total | \$ 78,247,505 | \$ 34,786 | \$ 78,282,291 |
| Deposits and investments | | | |
| Bank deposits: | | | |
| Checking and savings accounts | | | \$ 2,716,100 |
| Certificates of deposits | | | 5,503,345 |
| Investments: | | | |
| Pooled investments, at fair value | | | 13,011,892 |
| Pension and other employee benefit trust fund investments | | | 57,046,076 |
| Cash on hand | | | 4,878 |
| Total | | | \$ 78,282,291 |

Restricted Cash

The amount of \$101,127 in restricted cash represents bonds posted by individuals who have pending court cases in the 45-B District Court fund. These bonds must be returned to the individuals and therefore are restricted.

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year end \$4,753,345 of the City's bank balance of \$9,288,586 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The City's depository policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Investments - Pooled Investments

Following is a summary of the City's pooled investments as of June 30, 2012:

| Investment | Maturities | Fair Value | Percent of Portfolio |
|------------------------|------------|----------------------|----------------------|
| Commercial Paper | | | |
| Vodaphone | 7/2012 | \$ 999,920 | 7.68% |
| General Mills | 7/2012 | 1,999,820 | 15.37% |
| Duke Energy | 8/2012 | 1,999,500 | 15.37% |
| Southern Power | 7/2012 | 1,999,620 | 15.37% |
| Korea Development Bank | 7/2012 | 999,830 | 7.68% |
| Heinz | 7/2012 | 1,999,580 | 15.37% |
| Ricoh Finance | 8/2012 | 2,495,471 | 19.18% |
| Mutual funds | n/a | 518,151 | 3.98% |
| Total | | <u>\$ 13,011,892</u> | <u>100.00%</u> |

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The City's investment policy has the same limits. As of June 30, 2012 the City's investment in commercial paper was rated A1 and A2 by Standard & Poor's.

Custodial Credit Risk - Investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial risk. The City's investment policy requires all securities purchased by the City shall be properly designated as an asset of the City and held in safekeeping by a third party custodial bank or other third party custodial institution, chartered by the United States government or the State of Michigan, and no withdrawals of such securities shall be made from safekeeping except by the City.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk. The City's investment policy limits the amount that can be invested in a single security type to 50 percent (excluding U.S. government securities) and limits the amount invested in a single financial institution to 25 percent. The level of concentration of each investment is in the above table.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least 60 percent of the City's investment portfolio to maturities of less than three years.

The City does not have a formal policy relating to interest rate risk. However, the City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. To the extent possible, the Treasurer shall match investments with anticipated cash flow requirements. The City will not invest in securities with a maturity of greater than five years.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Pension and Other Employee Benefits Trust Fund Investments

Following is a summary of the pension and other employee benefits trust fund investments at fair value, as determined by quoted market price, as of June 30, 2012:

| Investment Type | Amount |
|--------------------------|-----------------------------|
| Short-term investments | \$ 1,499,808 |
| U.S. agencies | 5,535,364 |
| Mortgage/asset backed | 2,582,657 |
| Corporate bonds | 11,540,228 |
| Common stock | 35,462,208 |
| Money market funds | 425,811 |
| Total investments | <u>\$ 57,046,076</u> |

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the trust funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although its investment policy does not specifically address custodial credit risk (and its investments are uninsured and unregistered), the trust funds' investments are not exposed to custodial credit risk since the securities are held by the counterparty or its agent in the trust funds' name.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The trust funds' investment policy provides that investments in fixed income securities be limited to those rated BBB- or better at the time of purchase by a nationally recognized statistical rating organization, except for United States treasury securities which are explicitly guaranteed by the U.S. government and not considered to have credit risk. Short-term investments in money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form. As of June 30, 2012, the investments in debt securities were rated by Standard & Poor's as follows:

| Rating | U.S. Agencies | Mortgage/ Asset Backed | Corporate Bonds |
|--------|---------------------|---------------------------|----------------------|
| AAA | \$ - | \$ 1,208,681 | \$ - |
| AA+ | 5,535,364 | - | 313,543 |
| AA | - | 381,065 | - |
| A+ | - | - | 320,997 |
| A | - | 189,949 | 1,406,087 |
| A- | - | - | 2,227,897 |
| BBB+ | - | 802,962 | 2,470,363 |
| BBB | - | - | 3,161,108 |
| BBB- | - | - | 1,640,233 |
| | <u>\$ 5,535,364</u> | <u>\$ 2,582,657</u> | <u>\$ 11,540,228</u> |

Investments in short-term investments, common stock and money market funds are not rated.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk, and the City does not have a policy specifying limits on concentration of credit risk. At June 30, 2012, there were no individual investments with a fair value that represent 5% or more of the City's trust funds' investments; and other than U.S. agencies, the City did not have 5% or more invested with any one issuer.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The trust funds' investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of June 30, 2012, maturities of the trust funds' debt securities were as follows:

| | Total Fair Value | Investment Maturities (fair value by years) | | | |
|-----------------------|----------------------|---|---------------------|----------------------|---------------------|
| | | Due < 1 year | Due in 1-5 years | Due in 6-10 years | Due > 10 years |
| U.S. agencies | \$ 5,535,364 | \$ 1,851,960 | \$ 2,001,044 | \$ 1,682,360 | \$ - |
| Mortgage/asset backed | 2,582,657 | - | 623,157 | 610,299 | 1,349,201 |
| Corporate bonds | 11,540,228 | 205,000 | 5,784,037 | 5,551,191 | - |
| Total | \$ 19,658,249 | \$ 2,056,960 | \$ 8,408,238 | \$ 7,843,850 | \$ 1,349,201 |

6. RECEIVABLES

Receivables are comprised of the following at year-end:

| | Governmental Activities | Business-type Activities | Component Units |
|----------------------------|----------------------------|-----------------------------|--------------------|
| Taxes | \$ 610,950 | \$ - | \$ - |
| Accounts | 784,365 | 2,488,988 | - |
| Special assessments | 33,900 | 64,943 | - |
| Accrued interest | 6,473 | 867 | 8 |
| Due from other governments | 1,683,923 | 221,138 | - |
| | \$ 3,119,611 | \$ 2,775,936 | \$ 8 |

Special assessments are the only receivables not expected to be collected within one year.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All governmental activities defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue reported in governmental activities were as follows:

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

| | Unavailable | Unearned | Total |
|---------------------------|-------------------|-------------------|---------------------|
| Governmental funds | | | |
| Property taxes receivable | \$ 595,413 | \$ - | \$ 595,413 |
| Accounts receivable | 172,360 | - | 172,360 |
| Deposits and donations | - | 323,666 | 323,666 |
| | <u>\$ 767,773</u> | <u>\$ 323,666</u> | <u>\$ 1,091,439</u> |

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

| | Governmental Activities | Business-type Activities |
|--------------------------|-------------------------|--------------------------|
| Accounts | \$ 815,407 | \$ 660,942 |
| Accrued liabilities | 557,114 | 114,080 |
| Due to other governments | 844,282 | - |
| | <u>\$ 2,216,803</u> | <u>\$ 775,022</u> |

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund balances are comprised of the following at year-end:

| | Due from Other Funds | Due to Other Funds |
|--------------------------|----------------------|--------------------|
| General fund | \$ 417,123 | \$ - |
| Other governmental funds | 283,610 | 700,733 |
| | <u>\$ 700,733</u> | <u>\$ 700,733</u> |

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. All interfund balances are expected to be collected within one year.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

For the current fiscal year, interfund transfers consisted of the following:

| Transfers Out | Transfers in | | | Total |
|--------------------------|-------------------|--------------------------|---------------------------------|---------------------|
| | General Fund | Other Governmental Funds | Water and Sewer Enterprise Fund | |
| General fund | \$ - | \$ 1,876,704 | \$ - | \$ 1,876,704 |
| Other governmental funds | 260,000 | 782,585 | 50,000 | 1,092,585 |
| | <u>\$ 260,000</u> | <u>\$ 2,659,289</u> | <u>\$ 50,000</u> | <u>\$ 2,969,289</u> |

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

Capital asset activity for the year of the City's governmental activities was as follows:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|--|----------------------|--------------------|------------------|----------------------|
| Governmental activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,642,187 | \$ - | \$ - | \$ 1,642,187 |
| Rights-of-way | 600,818 | - | - | 600,818 |
| Work in progress | 5,232,364 | 3,161,458 | - | 8,393,822 |
| | <u>7,475,369</u> | <u>3,161,458</u> | <u>-</u> | <u>10,636,827</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure - roads | 96,848,742 | - | - | 96,848,742 |
| Infrastructure - sidewalks | 4,171,504 | 9,149 | (180,000) | 4,000,653 |
| Buildings | 3,224,005 | - | - | 3,224,005 |
| Improvements | 2,799,598 | - | - | 2,799,598 |
| Library collection | 333,845 | 58,145 | (8,805) | 383,185 |
| Vehicles and equipment | 4,070,539 | 72,002 | (83,424) | 4,059,117 |
| Other equipment | 1,276,610 | - | - | 1,276,610 |
| | <u>112,724,843</u> | <u>139,296</u> | <u>(272,229)</u> | <u>112,591,910</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure - roads | (73,331,019) | (1,915,023) | - | (75,246,042) |
| Infrastructure - sidewalks | (2,446,282) | (200,033) | 180,000 | (2,466,315) |
| Buildings | (2,698,718) | (37,303) | - | (2,736,021) |
| Improvements | (1,129,624) | (103,430) | - | (1,233,054) |
| Library collection | (241,677) | (18,810) | 8,805 | (251,682) |
| Vehicles and equipment | (2,605,123) | (198,717) | 83,424 | (2,720,416) |
| Other equipment | (1,131,358) | (18,821) | - | (1,150,179) |
| | <u>(83,583,801)</u> | <u>(2,492,137)</u> | <u>272,229</u> | <u>(85,803,709)</u> |
| Total capital assets being depreciated, net | <u>29,141,042</u> | <u>(2,352,841)</u> | <u>-</u> | <u>26,788,201</u> |
| Governmental activities capital assets, net | <u>\$ 36,616,411</u> | <u>\$ 808,617</u> | <u>\$ -</u> | <u>\$ 37,425,028</u> |

At June 30, 2012, the City's governmental activities had outstanding commitments through construction contracts of approximately \$11,000,000 for the construction of the new city hall and public safety building.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Capital asset activity for the year of the City's business-type activities was as follows:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|---|----------------------|---------------------|-------------|----------------------|
| Business-type activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 11,502 | \$ - | \$ - | \$ 11,502 |
| Work in progress | 1,272,556 | 14,559 | - | 1,287,115 |
| | <u>1,284,058</u> | <u>14,559</u> | <u>-</u> | <u>1,298,617</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 86,500 | - | - | 86,500 |
| Garage | 24,564 | - | - | 24,564 |
| Vehicles and equipment | 888,986 | - | - | 888,986 |
| Water system | 12,034,981 | - | - | 12,034,981 |
| Water - hydrants | 560,836 | - | - | 560,836 |
| Water - tanks | 166,833 | - | - | 166,833 |
| Water - pump station | 1,054,921 | - | - | 1,054,921 |
| Water - master meter | 27,514 | - | - | 27,514 |
| Water - reservoir | 852,719 | - | - | 852,719 |
| Water - Reservoir pump | 413,457 | - | - | 413,457 |
| Sewer system | 18,909,309 | - | - | 18,909,309 |
| | <u>35,020,620</u> | <u>-</u> | <u>-</u> | <u>35,020,620</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (79,133) | (867) | - | (80,000) |
| Garage | (24,564) | - | - | (24,564) |
| Vehicles and equipment | (860,730) | (28,256) | - | (888,986) |
| Water system | (3,814,438) | (128,553) | - | (3,942,991) |
| Water - hydrants | (404,657) | (6,327) | - | (410,984) |
| Water - tanks | (166,833) | - | - | (166,833) |
| Water - pump station | (855,754) | (12,559) | - | (868,313) |
| Water - master meter | (20,292) | (344) | - | (20,636) |
| Water - reservoir | (494,934) | (11,416) | - | (506,350) |
| Water - Reservoir pump | (254,825) | (10,162) | - | (264,987) |
| Sewer system | (1,135,111) | (452,676) | - | (1,587,787) |
| | <u>(8,111,271)</u> | <u>(651,160)</u> | <u>-</u> | <u>(8,762,431)</u> |
| Total capital assets being depreciated, net | <u>26,909,349</u> | <u>(651,160)</u> | <u>-</u> | <u>26,258,189</u> |
| Business-type activities capital assets, net | <u>\$ 28,193,407</u> | <u>\$ (636,601)</u> | <u>\$ -</u> | <u>\$ 27,556,806</u> |

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function

| | |
|-----------------------------|----------------------------|
| General government | \$ 14,542 |
| Judicial | 5,868 |
| Public safety | 4,678 |
| Road maintenance and repair | 2,115,056 |
| Public works | 91,283 |
| Culture and recreation | 54,504 |
| Library | 7,489 |
| | <u>2,293,420</u> |
| Internal service funds | <u>198,717</u> |
| | <u><u>\$ 2,492,137</u></u> |

Depreciation of business-type activities by function

| | |
|-----------------|--------------------------|
| Water and sewer | <u><u>\$ 651,160</u></u> |
|-----------------|--------------------------|

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2012:

| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|---|----------------------|-----------|--------------|-------------------|------------------------|
| Governmental activities | | | | | |
| General Obligation | | | | | |
| 2003 Street Improvement, installments of \$280,000 to \$760,000 through May 1, 2028, interest at 4.0 to 5.00%, payable annually | \$ 9,850,000 | \$ - | \$ (280,000) | \$ 9,570,000 | \$ 410,000 |
| 2006 Street Improvement, installments of \$225,000 to \$800,000 through May 1, 2030, interest at 4.0 to 5.00%, payable annually | 10,400,000 | - | (225,000) | 10,175,000 | 400,000 |
| 2003 Refunding Street Improvement, installments of \$865,000 through May 1, 2012 interest at 3.5%, payable annually | 865,000 | - | (865,000) | - | - |

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|--|----------------------|---------------------|-----------------------|----------------------|---------------------|
| Governmental activities (continued) | | | | | |
| 2010 Municipal Complex, installments of \$50,000 to \$925,000 through May 1, 2036, interest at 2.5 to 7.0%, payable annually | \$ 13,425,000 | \$ - | \$ (50,000) | \$ 13,375,000 | \$ 350,000 |
| Total governmental activities bonds | 34,540,000 | - | (1,420,000) | 33,120,000 | 1,160,000 |
| Capital lease | - | 2,500,000 | - | 2,500,000 | 70,000 |
| Compensated absences | 1,997,586 | 70,116 | (615,756) | 1,451,946 | 32,850 |
| Total governmental activities | <u>\$ 36,537,586</u> | <u>\$ 2,570,116</u> | <u>\$ (2,035,756)</u> | <u>\$ 37,071,946</u> | <u>\$ 1,262,850</u> |
| Business-type activities | | | | | |
| Water Revenue Bonds, installments of \$370,000 to \$385,000 through May 1, 2013, interest at 5.0%, payable annually | \$ 755,000 | \$ - | \$ (370,000) | \$ 385,000 | \$ 385,000 |
| Limited Tax General Obligation Bonds George W. Kuhn Drain installments of \$65,707 to \$1,061,080 through April 1, 2029, interest at 1.625% to 5.25%, payable annually | 12,421,759 | - | (816,921) | 11,604,838 | 841,198 |
| Total business-type activities bonds | 13,176,759 | - | (1,186,921) | 11,989,838 | 1,226,198 |
| Compensated absences | 144,424 | 6,497 | (3,762) | 147,159 | - |
| Total business-type activities | <u>\$ 13,321,183</u> | <u>\$ 6,497</u> | <u>\$ (1,190,683)</u> | <u>\$ 12,136,997</u> | <u>\$ 1,226,198</u> |

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for long-term debt are as follows:

| Year Ended June 30, | Governmental Activities | | Business-type Activities | |
|------------------------|-------------------------|----------------------|--------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2013 | \$ 1,230,000 | \$ 1,420,365 | \$ 1,226,198 | \$ 333,235 |
| 2014 | 1,265,000 | 1,380,439 | 862,095 | 291,154 |
| 2015 | 1,300,000 | 1,338,151 | 883,699 | 267,753 |
| 2016 | 1,365,000 | 1,293,503 | 900,323 | 243,777 |
| 2017 | 1,405,000 | 1,245,608 | 934,274 | 219,055 |
| 2018-2022 | 7,965,000 | 5,391,520 | 5,038,922 | 699,567 |
| 2023-2027 | 9,875,000 | 3,583,101 | 1,991,593 | 109,572 |
| 2028-2032 | 7,085,000 | 1,541,480 | 152,734 | 5,116 |
| 2033-2036 | 4,130,000 | 419,522 | - | - |
| | <u>\$ 35,620,000</u> | <u>\$ 17,613,689</u> | <u>\$ 11,989,838</u> | <u>\$ 2,169,229</u> |

All general obligation bonded debt is supported by the City's full faith and credit. Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

In fiscal year 2002-2003 the City issued two general obligation bonds totaling \$23,375,000 for the construction of streets and refunding of 1993 refunding bonds.

In November of 2002 the voters approved a millage for the construction of streets and parking lots allowing the City to issue debt in the amount of \$22.5 million. In May of 2003 the City borrowed \$11.5 million as the first phase of a six-year rebuilding program. In May of 2006 the City borrowed \$11 million as the second phase of this rebuilding program.

On June 30, 2002 the City had \$12.915 million outstanding debt from the 1993 Refunding Bonds. In May of 2003 these bonds were redeemed to take advantage of favorable interest rates. The 2003 Refunding Bonds in the amount of \$11.875 million were issued to replace these bonds.

In August of 2010 the voters approved a millage to construct, reconstruct, remodel, add to, furnish and equip a city hall, a public safety building, a library building, a community and jobs placement center, and playground structures allowing the City to issue debt in the amount of \$13.425 million. In November of 2010 the City issued general obligation unlimited tax, federally taxable recovery zone economic development bonds. The City is to receive a direct pay interest credit from the United States Treasury equal to 45% of the stated interest paid on the bonds.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through the sale of drain bonds, a State of Michigan revolving loan fund, federal and state grants, and contributions from Oakland County. The City along with 13 other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately \$15.6 million with an interest rate ranging from 1.625% to 5.25%. As of June 30, 2012, the City's obligation is \$11.605 million and incurred interest expense of \$374,042 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the revolving fund are being incurred on an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

The water revenue bonds are not a general obligation or indebtedness of the City but are payable solely from the net revenues of the water supply system fund. As additional security, the City has signed a revenue sharing pledge agreement.

On June 30, 2003, the City had \$3.175 million outstanding debt from the 1992 Refunding Bonds. In March of 2004 these bonds were redeemed to take advantage of favorable interest rates. The 2004 Refunding Bonds in the amount of \$2.945 million were issued to replace these bonds.

11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases insurance coverage through public entity risk pools or commercial carriers. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

12. PROPERTY TAXES

Property taxes are levied based on taxable values of property located in the City. Taxable values are established annually. The taxable property values for the 2011 tax levy are as follows:

| | |
|-------------------|-----------------------|
| Real property | \$ 497,996,710 |
| Personal property | <u>33,460,080</u> |
| Total | <u>\$ 531,456,790</u> |

The City is permitted by City Charter to levy up to a maximum of \$20.00 (20 mills) per \$1,000 of taxable value for operations that is reduced by the Headlee Act and the Truth in Taxation Act. Additionally, state law allows the City to levy taxes for solid waste collection and disposal. It is also permitted to levy unlimited amounts for repayment of existing general long-term debt obligations. As of July 1, 2011, 20.9377 mills were levied for general governmental services, 2.4531 mills were levied for solid waste and 4.4378 mills were levied for long-term debt retirement.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

13. DEFINED BENEFIT PENSION PLAN

Plan Description and Contribution Information

The following brief description of the City of Oak Park Employee's Retirement Plan and Trust (Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

The Plan, established by Chapter 15 of the City Charter, is a single-employer defined benefit pension plan covering all employees of the City of Oak Park hired before August 1, 2004. General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006 are part of the defined contribution pension system described below. The City of Oak Park is the administrator of the defined benefit plan. Administrative costs of the Plan are financed through investment earnings. The Plan is included as a pension trust fund in the City's financial statements and a stand-alone financial report of the Plan has not been issued.

Membership of the plan consisted of the following at June 30, 2011, the date of the latest actuarial valuation:

| | General | Public Safety |
|---|---------|---------------|
| Retirees and beneficiaries currently receiving benefits | 141 | 91 |
| Inactive employees entitled to benefits | 13 | 10 |
| Active employees: | | |
| Vested | 38 | 36 |
| Non-vested | 21 | 24 |
| | 213 | 161 |
| Total | 213 | 161 |

Eligibility

Employees retiring with ten or more years of service are entitled to annual pension benefits. General employees may retire at age 55, with retirement mandatory at age 70 without the employer's consent to continue. General non-union employees may retire after 25 years of service, regardless of age. Public safety employees may retire at age 50, with retirement mandatory at age 60 without the employer's consent to continue. Public Safety employees may retire after 25 years of service, regardless of age.

Vested employees receive a retirement benefit based on a formula established by a negotiated union contract or City Ordinance. Employees can also receive a benefit based on a disability that occurred on the job (duty disability), a disability that occurred outside employment (non-duty disability), or death (paid to surviving spouse or dependent). Benefits can be amended by City Ordinance (voted on by a majority of City Council) or a negotiated contract with union groups.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Contributions

Employee Contributions

Eligible general employees are required to contribute 3.0% of compensation to the plan. Eligible AFSCME employees are required to contribute 3.0% of compensation to the plan. Eligible public safety employees hired before July 1, 2006 are required to contribute 5.55% and employees hired after July 1, 2006 are required to contribute 7.50% of their annual compensation to the Plan in fiscal year 2011-2012. Such aggregate contributions amounted to \$457,526 (before refunds) for the year ended June 30, 2012.

Employer Contributions

The City also makes contributions to the Plan, at annual actuarially determined amounts, to provide assets sufficient to meet the benefits to be paid to plan members. The rate paid in fiscal year 2012 by the City is 57.75% of annual covered payroll for general members and 35.40% of annual covered payroll for public safety members.

Employer and employee contributions are established, and may be amended, by City Charter and Council approved union contracts.

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due.

The City's contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

The Plan's investments are stated at fair value which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the System's governing body, with the assistance of a valuation service; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Annual Pension Cost and Net Pension Obligation

During the year ended June 30, 2012, total contributions of \$3,200,167 were made in accordance with actuarially determined requirements computed through an actuarial valuation. The annual required contribution for the current year was determined as part of a June 30, 2010 actuarial valuation using the entry age method. The actuarial assumptions included (a) 8.0% investment rate of return on the investment, which includes 4% attributable to inflation, compounded annually, (b) projected salary increases of 4% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded, actuarial accrued liability is being amortized as a level percentage of projected payroll with 26 years remaining from a 30-year schedule, on a closed basis.

| Three-Year Trend Information | | | |
|------------------------------|------------------------------|-------------------------------------|---------------------------|
| Years Ended June 30, | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
| 2010 | \$ 3,107,474 | 100% | \$ - |
| 2011 | 3,258,854 | 100% | - |
| 2012 | 5,575,166 | 100% | - |

The funded status of the plan as of June 30, 2011, the date of most recent actuarial valuation, was as follows:

| | |
|---|----------------------|
| Actuarial accrued liability (AAL) | \$ 93,719,400 |
| Actuarial value of assets | <u>61,560,855</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 32,158,545</u> |
| Funded ratio | <u>65.7%</u> |
| Covered payroll | <u>\$ 8,050,907</u> |
| UAAL as a percentage of covered payroll | <u>399.4%</u> |

14. 45-B DISTRICT COURT MONEY PURCHASE PENSION PLAN

The 45-B District Court Money Purchase Pension Plan is held in trust and covers 27 employees of the District Court. The plan is available to employees after one year of employment and benefits are fully vested upon the seventh year of service. The third party administrator for this plan is Freedom One Financial. In the money purchase pension plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The money purchase pension plan cost to the 45-B District Court for the fiscal year ended June 30, 2012 was \$97,066. The defined contribution pension cost to the employees was \$0. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of the City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants. Assets of the plan are valued at \$1,448,922 as of June 30, 2012.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

15. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park Defined Contribution Pension Plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. At June 30, 2012 there were 22 plan members. The City contributes 7.5% of covered payroll and will match an employee's voluntary contribution up to 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2012 were \$23,039 by employees and \$95,913 by the City.

16. POSTEMPLOYMENT HEALTH BENEFITS

The City provides a postemployment group hospitalization plan for its general employees and group hospitalization, dental and optical plans for its public safety employees hired before August 1, 2004. Group hospitalization, dental and optical plans are provided for district court employees. The City contributes 3% of covered payroll to a health savings plan for general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. These plans were established through the employees' union contracts; employees not covered by union contracts receive the same benefits that general employees receive.

The general employees' postemployment benefits and the public safety employees' coverage pass to the surviving spouse upon death of the retiree.

Currently 126 general, 92 public safety and 22 district court retirees and surviving spouses are receiving benefits. The City pays 100% of the benefits for all public safety, court and general current retirees. Co-pays, at the percentage indicated below, are required for retirees who were hired after January 18, 1993 for public safety officers and July 1, 1992 for public safety command officers.

| Years of Service | Employer Pays | Employee Pays |
|------------------|---------------|---------------|
| 0-9 | 0% | 100% |
| 10-14 | 55% | 45% |
| 15-19 | 75% | 25% |
| 20-24 | 85% | 15% |
| 25 and up | 100% | 0% |

Expenditures for the premiums are paid and recognized as they become due.

There is the added stipulation in the union contracts that once retirees and dependents reach age 65, they shall be converted to Medicare complimentary coverage.

The City has created a retiree's health care fund, an other employee benefit trust, in anticipation of pre-funding retiree's health care for general and public safety employees. The funds set aside are held in a fund authorized by Public Act 149 of the State of Michigan.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The funding status of the plan as of June 30, 2010, the date of most recent actuarial valuation, was as follows:

| | |
|---|----------------------|
| Actuarial accrued liability (AAL) | \$ 86,017,443 |
| Actuarial value of assets | <u>352,883</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 85,664,560</u> |
| Funded ratio | <u>0.4%</u> |
| Covered payroll | <u>\$ 8,665,239</u> |
| UAAL as a percentage of covered payroll | <u>988.6%</u> |

The City has created a retiree’s health care internal service fund in anticipation of pre-funding retiree’s health care for district court employees. The court levies a \$10 charge on all tickets to finance this fund. The funds are not established as a trust and therefore are reported as an internal service fund.

The funding status of the court plan as of June 30, 2010, the date of the most recent actuarial valuation, was as follows:

| | |
|---|---------------------|
| Actuarial accrued liability (AAL) | \$ 8,221,344 |
| Actuarial value of assets | <u>-</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 8,221,344</u> |
| Funded ratio | <u>0.0%</u> |
| Covered payroll | <u>\$ 1,028,724</u> |
| UAAL as a percentage of covered payroll | <u>799.2%</u> |

In the June 30, 2010, actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return and an annual healthcare cost trend of 9.0% initially, reduced by decrements to an ultimate rate of 4.0% after ten years. Both rates include a 4.5% inflation assumption. The actuarial value of assets was determined using fair value. The unfunded actuarial accrued liability is being amortized as a level dollar amount for non-union members and a level percentage of payroll on a closed basis for all others. The remaining amortization period at June 30, 2010 was 28 years for general and public safety employees and 30 years for district court employees. The annual required contribution for fiscal 2012 is \$6,280,112 for the general and public safety plan and \$679,622 for the district court plan.

The health savings plan for general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006, had 17 plan members at June 30, 2012. The City contributes 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2012 were \$21,075.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The contribution requirements for general and public safety plan members are established and may be amended by the Oak Park City Council. The City Council has determined to pay costs on a pay-as-you-go financing method with no contributions to prefund benefits. During the year ended June 30, 2012, expenditures for general and public safety retirees of \$2,295,727 were recognized for retiree health insurance premiums. Retiree dental insurance premium payments of \$79,272 were recognized for public safety employees.

The contribution requirements for district court plan members are established and may be amended by the Oak Park City Council. Retiree health insurance premiums of \$194,234 were recognized for employees of the district court. The court contributed \$20,000 to this fund. Funding in the amount of \$141,268 was provided by the \$10 charge on tickets.

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

| | General and Public Safety | District Court |
|--|------------------------------|---------------------|
| Annual required contribution | \$ 6,280,112 | \$ 679,622 |
| Interest on net OPEB obligation | 387,393 | 63,666 |
| Adjustment to annual required contribution | (366,284) | (60,197) |
| Annual OPEB cost | 6,301,221 | 683,091 |
| Contribution made | (2,374,999) | (194,234) |
| Increase in net OPEB obligation | 3,926,222 | 488,857 |
| Net OPEB obligation, beginning of year | 8,608,744 | 1,414,805 |
| Net OPEB obligation, end of year | <u>\$ 12,534,966</u> | <u>\$ 1,903,662</u> |

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for the last three fiscal years for general and public safety employees is as follows:

| Three-Year Trend Information | | | |
|------------------------------|---------------------|---|------------------------|
| Years Ended June 30, | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
| 2010 | \$ 4,875,562 | 44.06% | \$ 5,915,256 |
| 2011 | 4,875,562 | 44.75% | 8,608,744 |
| 2012 | 6,301,221 | 37.69% | 12,534,966 |

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for the last three fiscal years for district court employees is as follows:

| Three-Year Trend Information | | | |
|------------------------------|---------------------|---|------------------------|
| Years Ended June 30, | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
| 2010 | \$ 475,066 | 42.10% | \$ 275,039 |
| 2011 | 475,066 | 39.25% | 1,414,805 |
| 2012 | 683,091 | 28.43% | 1,903,662 |

17. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

| | Plan Net Assets | | |
|--|--------------------------------|--|----------------------|
| | Employee Retirement Plan | Retiree Health Care - General and Public Safety | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 1,480,397 | \$ 68,175 | \$ 1,548,572 |
| Accrued interest receivable | 221,254 | 24 | 221,278 |
| Investments, at fair value: | | | |
| U.S. government obligations | 5,535,364 | - | 5,535,364 |
| Mortgage-backed securities | 2,582,657 | - | 2,582,657 |
| Corporate bonds | 11,540,227 | - | 11,540,227 |
| Corporate stocks | 35,462,208 | 378,007 | 35,840,215 |
| Total assets | 56,822,107 | 446,206 | 57,268,313 |
| Liabilities | | | |
| Accounts payable | 8,717 | - | 8,717 |
| Net assets | | | |
| Held in trust for pension benefits and other purposes | <u>\$ 56,813,390</u> | <u>\$ 446,206</u> | <u>\$ 57,259,596</u> |

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

| | Changes in Plan Net Assets | | |
|---|----------------------------|---|----------------------|
| | Employee Retirement Plan | Retiree Health Care - General and Public Safety | Total |
| Additions | | | |
| Contributions: | | | |
| Employer | \$ 3,200,167 | \$ 2,374,999 | \$ 5,575,166 |
| Plan members | 457,526 | - | 457,526 |
| Total contributions | <u>3,657,693</u> | <u>2,374,999</u> | <u>6,032,692</u> |
| Investment earnings: | | | |
| Net appreciation in fair value of investments | 765,568 | 19,375 | 784,943 |
| Interest | 770,323 | 153 | 770,476 |
| Dividends | 808,516 | - | 808,516 |
| Total investment earnings | <u>2,344,407</u> | <u>19,528</u> | <u>2,363,935</u> |
| Less: investment management expense | <u>(208,117)</u> | <u>-</u> | <u>(208,117)</u> |
| Net investment earnings | <u>2,136,290</u> | <u>19,528</u> | <u>2,155,818</u> |
| Total additions | <u>5,793,983</u> | <u>2,394,527</u> | <u>8,188,510</u> |
| Deductions | | | |
| Benefits | 7,008,788 | 2,374,999 | 9,383,787 |
| Refunds, rebates and administration | 13,932 | - | 13,932 |
| Total deductions | <u>7,022,720</u> | <u>2,374,999</u> | <u>9,397,719</u> |
| Change in net assets | (1,228,737) | 19,528 | (1,209,209) |
| Net assets, beginning of year | <u>58,042,127</u> | <u>426,678</u> | <u>58,468,805</u> |
| Net assets, end of year | <u>\$ 56,813,390</u> | <u>\$ 446,206</u> | <u>\$ 57,259,596</u> |

18. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority") which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of 69 votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2012, the last available audited financial statements, the Authority reported an increase in net assets in the amount of \$186,580 resulting in ending net assets in the amount of \$6,703,011. During the year ended June 30, 2012, the City expended \$1,519,407 of payments made to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from its administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

19. LEASES

The City of Oak Park has an agreement with HoneyBaked Hockey Club for the operation of the City ice rink. HoneyBaked will pay rent of \$2,500 each month, which is to be paid in advance by the tenth of the month. The City may terminate the contract only if HoneyBaked fails to perform the terms and conditions of the contract. The City received \$30,000 from HoneyBaked for the fiscal year ended June 30, 2012.

20. FUND BALANCES - GOVERNMENTAL FUNDS

A detailed listing of nonspendable, restricted, assigned and unassigned fund balances is as follows:

| | General Fund | Neighborhood Stabilization Program | Municipal Complex Construction | Nonmajor Funds | Total |
|---|--------------|------------------------------------|--------------------------------|----------------|---------------|
| Nonspendable - | | | | | |
| Prepays | \$ 245,037 | \$ - | \$ - | \$ 22,815 | \$ 267,852 |
| Restricted for: | | | | | |
| Road surface repairs | - | - | - | 3,249,925 | 3,249,925 |
| Refuse collection | - | - | - | 384,300 | 384,300 |
| City Hall construction | - | - | 11,913,310 | - | 11,913,310 |
| Debt service | - | - | - | 109,780 | 109,780 |
| Other | - | - | - | 489,244 | 489,244 |
| Total restricted | - | - | 11,913,310 | 4,233,249 | 16,146,559 |
| Assigned for: | | | | | |
| Sidewalks | - | - | - | 181,515 | 181,515 |
| Municipal buildings | - | - | - | 1,096,949 | 1,096,949 |
| Other | - | - | - | 134,645 | 134,645 |
| Total assigned | - | - | - | 1,413,109 | 1,413,109 |
| Unassigned (deficit) | 312,162 | (6,852) | - | - | 305,310 |
| Total fund balances, governmental funds | \$ 557,199 | \$ (6,852) | \$ 11,913,310 | \$ 5,669,173 | \$ 18,132,830 |

21. SUMMARY OF SIGNIFICANT CONTINGENCIES

Pursuant to the general property tax laws of the State of Michigan, the City receives revenues from property taxes levied against real and personal property located in the City. A number of entities owning property within the City have appealed their assessments to the Michigan Tax Tribunal (MTT). Although a reduction by the MTT of any such assessments would result in a liability for the City to refund certain taxes that have been collected, management believes a contingent liability for such refunds would not be significant to the financial statements.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

There are several pending lawsuits in which the City is involved. The City Attorney estimates that potential claims against the City being defended by attorneys appointed by liability insurance carriers would not materially affect the operations or financial condition of the City. The City Attorney estimates, that while possible, it is not probable that the City will receive unfavorable rulings in any other lawsuits.

22. INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT

The composition of net assets invested in capital assets, net of related debt as of December 31, 2011, was as follows:

| | Governmental Activities | Business-type Activities |
|---|----------------------------|-----------------------------|
| Capital assets: | | |
| Capital assets not being depreciated | \$ 10,636,827 | \$ 1,298,617 |
| Capital assets being depreciated, net | <u>26,788,201</u> | <u>26,258,189</u> |
| | <u>37,425,028</u> | <u>27,556,806</u> |
| Related debt: | | |
| General obligation bonds | 33,120,000 | 11,604,838 |
| Capital lease | 2,500,000 | - |
| Revenue bonds | - | 385,000 |
| | <u>35,620,000</u> | <u>11,989,838</u> |
| Invested in capital assets, net of related debt | <u>\$ 1,805,028</u> | <u>\$ 15,566,968</u> |

23. SUBSEQUENT EVENTS

On December 20, 2012, the City advance refunded the 2003 Street Improvement Bonds. The City issued \$9,150,000 of unlimited tax general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds will be considered to be defeased and the liability will be removed from long-term debt in the subsequent year.

24. RESTATEMENTS

Governmental Funds

Delinquent personal property taxes from the prior years were incorrectly recorded as revenue instead of deferred revenue as these amounts were not received within the 60 days after year-end. As a result, the fund balance in the general fund was overstated by \$277,730, the solid waste special revenue fund was overstated by \$38,135, the 2003 street improvement bond debt service fund was overstated by \$14,326, the 2006 street improvement bond debt service fund was overstated by \$14,429 and the 2003 street refunding bond debt service fund was overstated by \$31,216.

The neighborhood stabilization program special revenue fund had incorrectly recorded proceeds from sales on homes as revenue instead of a payable to Oakland County in the prior years. As a result, fund balance in the neighborhood stabilization program fund was overstated by \$739,152.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Water and Sewer Enterprise Fund

Beginning net assets in the water and sewer enterprise fund were overstated by \$690,072. This overstatement was due to an overstatement of \$1,210,316 because due from other governments amounts relating to the George W. Kuhn drain were incorrectly reported as a due to other governments in the prior year and construction in progress relating to the drain was not appropriately capitalized in the previous years. There was also an understatement of \$520,244 because of an unsubstantiated prior year debt recognized by the City.

As a result of the changes noted above, beginning net assets were restated as follows:

| | Governmental Activities | Business-type Activities | Water and Sewer Enterprise Fund |
|---|-------------------------|--------------------------|---------------------------------|
| Net assets, June 30, 2011, as previously reported | \$ 11,490,074 | \$ 19,312,981 | \$ 19,312,981 |
| Prior period adjustments | <u>(1,114,989)</u> | <u>(690,072)</u> | <u>(690,072)</u> |
| Net assets, July 1, 2011, as restated | <u>\$ 10,375,085</u> | <u>\$ 18,622,909</u> | <u>\$ 18,622,909</u> |

| | General Fund | Neighborhood Stabilization Program Fund | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Total |
|--|---------------------|---|--------------------------------|-----------------------------|---------------------|
| Fund balance, June 30, 2011 as previously reported | \$ 1,748,891 | \$ 731,819 | \$ 1,651,588 | \$ 654,398 | \$ 3,037,805 |
| Prior period adjustments | <u>(277,730)</u> | <u>(739,152)</u> | <u>(38,135)</u> | <u>(59,971)</u> | <u>(837,258)</u> |
| Fund balance, July 1, 2011 as restated | <u>\$ 1,471,161</u> | <u>\$ (7,333)</u> | <u>\$ 1,613,453</u> | <u>\$ 594,427</u> | <u>\$ 2,200,547</u> |



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information
Defined Benefit Pension Plan

Schedule of Funding Progress
(amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------|-------------------------------|---|---------------------------|----------------------|---------------------|---|
| 6/30/2006 | \$ 60,994 | \$ 85,695 | \$ 24,701 | 71.2% | \$ 9,552 | 259% |
| 6/30/2007 | 63,631 | 85,262 | 21,631 | 74.6% | 9,887 | 219% |
| 6/30/2008 | 63,911 | 87,748 | 23,837 | 72.8% | 9,880 | 241% |
| 6/30/2009 | 63,352 | 91,731 | 28,379 | 69.1% | 9,335 | 304% |
| 6/30/2010 | 62,448 | 93,774 | 31,326 | 66.6% | 8,665 | 362% |
| 6/30/2011 | 61,561 | 93,719 | 32,158 | 65.7% | 8,051 | 399% |

Schedule of Employer Contributions
(amounts in thousands)

| Year Ended June 30, | Annual Required Contributions | Percentage Contributed |
|---------------------|-------------------------------|------------------------|
| 2007 | \$ 4,402 | 100% |
| 2008 | 2,917 | 100% |
| 2009 | 3,355 | 100% |
| 2010 | 3,107 | 100% |
| 2011 | 3,259 | 100% |
| 2012 | 3,200 | 100% |

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information
General and Public Safety Employees Plan

Schedule of Funding Progress
Other Postemployment Benefits Plan
(amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------|-------------------------------|---|---------------------------|----------------------|---------------------|---|
| 6/30/2006 | \$ 484 | \$ 76,803 | \$ 76,319 | 0.6% | \$ 8,918 | 856% |
| 6/30/2008 | 414 | 73,436 | 73,022 | 0.6% | 9,880 | 739% |
| 6/30/2010 | 353 | 86,017 | 85,665 | 0.4% | 8,665 | 989% |

Schedule of Employer Contributions
Other Postemployment Benefits Plan
(amounts in thousands)

| Year Ended June 30, | Annual Required Contributions | Percentage Contributed |
|---------------------|-------------------------------|------------------------|
| 2009 | \$ 5,132,580 | 38% |
| 2010 | 4,875,562 | 45% |
| 2011 | 4,875,562 | 44% |
| 2012 | 6,280,112 | 38% |

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information
District Court Employees Plan

Schedule of Funding Progress
Other Postemployment Benefits Plan
(amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------|-------------------------------|---|---------------------------|----------------------|---------------------|---|
| 6/30/2006 | \$ - | \$ 5,365 | \$ 5,176 | 0.0% | \$ 974 | 551% |
| 6/30/2008 | - | 5,366 | 5,225 | 0.0% | 1,089 | 493% |
| 6/30/2010 | - | 8,221 | 8,135 | 0.0% | 1,029 | 799% |

Schedule of Employer Contributions
Other Postemployment Benefits Plan
(amounts in thousands)

| Year Ended June 30, | Annual Required Contributions | Percentage Contributed |
|---------------------|-------------------------------|------------------------|
| 2009 | \$ 1,012,461 | 16% |
| 2010 | 475,066 | 39% |
| 2011 | 475,066 | 42% |
| 2012 | 679,622 | 29% |

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Assets

Nonmajor Governmental Funds

June 30, 2012

| | Special Revenue | Debt Service | Capital Project | Total Other Governmental |
|--|---------------------|-------------------|---------------------|--------------------------------|
| Assets | | | | |
| Cash and investments | \$ 2,000,852 | \$ 390,396 | \$ 3,043,571 | \$ 5,434,819 |
| Receivables: | | | | |
| Taxes | 53,787 | 94,702 | - | 148,489 |
| Special assessments | - | - | 33,091 | 33,091 |
| Accounts | 440,782 | - | 8,422 | 449,204 |
| Accrued interest | 569 | 59 | 1,079 | 1,707 |
| Due from other governments | 409,204 | - | - | 409,204 |
| Due from other funds | - | 283,610 | - | 283,610 |
| Restricted assets - cash | 101,127 | - | - | 101,127 |
| Prepaid items | 22,733 | - | 82 | 22,815 |
| Total assets | \$ 3,029,054 | \$ 768,767 | 3,086,245 | \$ 6,884,066 |
| Liabilities | | | | |
| Accounts payable | \$ 187,019 | \$ - | \$ 9,850 | \$ 196,869 |
| Accounts payable from restricted assets | 101,127 | - | - | 101,127 |
| Accrued liabilities | 62,529 | - | 556 | 63,085 |
| Due to other funds | 135,613 | 565,120 | - | 700,733 |
| Deferred revenue | 59,212 | 93,867 | - | 153,079 |
| Total liabilities | 545,500 | 658,987 | 10,406 | 1,214,893 |
| Fund balances | | | | |
| Nonspendable | 22,733 | - | 82 | 22,815 |
| Restricted | 2,412,347 | 109,780 | 1,711,122 | 4,233,249 |
| Assigned | 48,474 | - | 1,364,635 | 1,413,109 |
| Total fund balances | 2,483,554 | 109,780 | 3,075,839 | 5,669,173 |
| Total liabilities and fund balances | \$ 3,029,054 | \$ 768,767 | \$ 3,086,245 | \$ 6,884,066 |

CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2012

| | Special Revenue | Debt Service | Capital Project | Total Other Governmental |
|---|---------------------|-------------------|---------------------|--------------------------------|
| Revenues | | | | |
| Property taxes | \$ 1,548,444 | \$ 2,332,205 | \$ - | \$ 3,880,649 |
| Special assessments | 161,794 | - | 52,196 | 213,990 |
| Intergovernmental: | | | | |
| Federal grants | 384,474 | - | - | 384,474 |
| State grants | 1,706,254 | - | - | 1,706,254 |
| Charges for services | 1,288,027 | - | - | 1,288,027 |
| Fines and forfeitures | 8,334 | - | 243,369 | 251,703 |
| Interest income | 4,658 | 4,923 | 11,888 | 21,469 |
| Total revenues | 5,101,985 | 2,337,128 | 307,453 | 7,746,566 |
| Expenditures | | | | |
| Current: | | | | |
| Judicial | 2,068,527 | - | - | 2,068,527 |
| Public safety | 10,401 | - | - | 10,401 |
| Road maintenance and repair | 1,175,485 | - | - | 1,175,485 |
| Public works | 2,054,701 | - | 25,779 | 2,080,480 |
| Community development | 384,474 | - | 14 | 384,488 |
| Debt service: | | | | |
| Principal | - | 1,420,000 | - | 1,420,000 |
| Interest | - | 1,440,644 | - | 1,440,644 |
| Prior year tax refunds | - | 11,131 | - | 11,131 |
| Capital outlay | - | - | 221,919 | 221,919 |
| Total expenditures | 5,693,588 | 2,871,775 | 247,712 | 8,813,075 |
| Revenues over (under) expenditures | (591,603) | (534,647) | 59,741 | (1,066,509) |
| Other financing sources (uses) | | | | |
| Transfers in | 2,041,704 | 562,585 | 55,000 | 2,659,289 |
| Transfers out | (580,000) | (512,585) | - | (1,092,585) |
| Total other financing sources (uses) | 1,461,704 | 50,000 | 55,000 | 1,566,704 |
| Net change in fund balances | 870,101 | (484,647) | 114,741 | 500,195 |
| Fund balances, beginning of year, as restated | 1,613,453 | 594,427 | 2,961,098 | 5,168,978 |
| Fund balances, end of year | \$ 2,483,554 | \$ 109,780 | \$ 3,075,839 | \$ 5,669,173 |

CITY OF OAK PARK, MICHIGAN

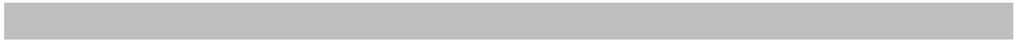
Combining Statement of Net Assets

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2012

| | Major Streets | Local Streets | Solid Waste | Narcotics Forfeiture |
|--|---------------------|-------------------|-------------------|-------------------------|
| Assets | | | | |
| Cash and investments | \$ 901,567 | \$ 413,135 | \$ 84,578 | \$ 79,526 |
| Receivables: | | | | |
| Taxes | - | - | 52,474 | - |
| Accounts | 4,645 | - | 375,160 | - |
| Accrued interest | 312 | 143 | 29 | 27 |
| Due from other governments | 186,944 | 72,876 | - | - |
| Restricted assets - cash | - | - | - | - |
| Prepaid items | 1,388 | 4,570 | 2,854 | - |
| Total assets | \$ 1,094,856 | \$ 490,724 | \$ 515,095 | \$ 79,553 |
| Liabilities | | | | |
| Accounts payable | \$ 31,234 | \$ 1,853 | \$ 69,909 | \$ - |
| Accounts payable from restricted assets | - | - | - | - |
| Accrued liabilities | 2,645 | 5,087 | 5,685 | - |
| Due to other funds | - | - | - | - |
| Due to other governments | - | - | - | - |
| Deferred revenue | - | - | 52,347 | 5,552 |
| Total liabilities | 33,879 | 6,940 | 127,941 | 5,552 |
| Fund balances | | | | |
| Nonspendable | 1,388 | 4,570 | 2,854 | - |
| Restricted | 1,059,589 | 479,214 | 384,300 | 74,001 |
| Assigned | - | - | - | - |
| Total fund balances | 1,060,977 | 483,784 | 387,154 | 74,001 |
| Total liabilities and fund balances | \$ 1,094,856 | \$ 490,724 | \$ 515,095 | \$ 79,553 |



| Criminal Justice Training | Disaster Contingency | Community Development Block Grant | C.O.P.S. Program | Caseflow Assistance |
|---------------------------|----------------------|-----------------------------------|------------------|---------------------|
| \$ 15,826 | \$ 3,585 | \$ - | \$ - | \$ 143,540 |
| - | - | - | - | - |
| - | - | - | - | - |
| 5 | 1 | - | - | 50 |
| - | - | 73,154 | 76,230 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 15,831</u> | <u>\$ 3,586</u> | <u>\$ 73,154</u> | <u>\$ 76,230</u> | <u>\$ 143,590</u> |
| \$ - | \$ - | \$ 1,686 | \$ - | \$ 2,520 |
| - | - | - | - | - |
| - | - | 2,776 | 9,309 | - |
| - | - | 68,692 | 66,921 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | 73,154 | 76,230 | 2,520 |
| - | - | - | - | - |
| 15,831 | - | - | - | 141,070 |
| - | 3,586 | - | - | - |
| <u>15,831</u> | <u>3,586</u> | <u>-</u> | <u>-</u> | <u>141,070</u> |
| <u>\$ 15,831</u> | <u>\$ 3,586</u> | <u>\$ 73,154</u> | <u>\$ 76,230</u> | <u>\$ 143,590</u> |

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Assets

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2012

| | Recreation | 45-B District Court | Total |
|--|-------------------|---------------------|---------------------|
| Assets | | | |
| Cash and investments | \$ 258,342 | \$ 100,753 | \$ 2,000,852 |
| Receivables: | | | |
| Taxes | 1,313 | - | 53,787 |
| Accounts | - | 60,977 | 440,782 |
| Accrued interest | - | 2 | 569 |
| Due from other governments | - | - | 409,204 |
| Restricted assets - cash | - | 101,127 | 101,127 |
| Prepaid items | - | 13,921 | 22,733 |
| Total assets | \$ 259,655 | \$ 276,780 | \$ 3,029,054 |
| Liabilities | | | |
| Accounts payable | \$ - | \$ 79,817 | \$ 187,019 |
| Accounts payable from restricted assets | - | 101,127 | 101,127 |
| Accrued liabilities | - | 37,027 | 62,529 |
| Due to other funds | - | - | 135,613 |
| Due to other governments | - | - | - |
| Deferred revenue | 1,313 | - | 59,212 |
| Total liabilities | 1,313 | 217,971 | 545,500 |
| Fund balances | | | |
| Nonspendable | - | 13,921 | 22,733 |
| Restricted | 258,342 | - | 2,412,347 |
| Assigned | - | 44,888 | 48,474 |
| Total fund balances | 258,342 | 58,809 | 2,483,554 |
| Total liabilities and fund balances | \$ 259,655 | \$ 276,780 | \$ 3,029,054 |

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CITY OF OAK PARK, MICHIGAN

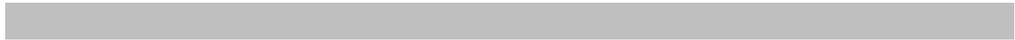
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended June 30, 2012

| | Major Streets | Local Streets | Solid Waste | Narcotics Forfeiture |
|--|---------------------|-------------------|-------------------|----------------------|
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ 1,290,102 | \$ - |
| Special assessments | 161,794 | - | - | - |
| Intergovernmental: | | | | |
| Federal grants | - | - | - | - |
| State grants | 1,128,746 | 440,337 | - | - |
| Charges for services | - | - | 1,102,726 | - |
| Fines and forfeitures | - | - | - | 8,334 |
| Interest income | 1,709 | 809 | 1,560 | 170 |
| Total revenues | 1,292,249 | 441,146 | 2,394,388 | 8,504 |
| Expenditures | | | | |
| Current: | | | | |
| Judicial | - | - | - | - |
| Public safety | - | - | - | 500 |
| Road maintenance and repair | 606,443 | 569,042 | - | - |
| Public works | - | - | 2,054,701 | - |
| Community development | - | - | - | - |
| Total expenditures | 606,443 | 569,042 | 2,054,701 | 500 |
| Revenues over (under) expenditures | 685,806 | (127,896) | 339,687 | 8,004 |
| Other financing sources (uses) | | | | |
| Transfers in | - | 270,000 | - | - |
| Transfers out | (270,000) | - | (310,000) | - |
| Total other financing sources (uses) | (270,000) | 270,000 | (310,000) | - |
| Net change in fund balances | 415,806 | 142,104 | 29,687 | 8,004 |
| Fund balances, beginning of year, as restated | 645,171 | 341,680 | 357,467 | 65,997 |
| Fund balances, end of year | \$ 1,060,977 | \$ 483,784 | \$ 387,154 | \$ 74,001 |



| Criminal Justice Training | Disaster Contingency | Community Development Block Grant | C.O.P.S. Program | Caseflow Assistance |
|---------------------------|----------------------|-----------------------------------|------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| - | - | 122,265 | 262,209 | - |
| 11,360 | - | - | - | 34,363 |
| - | - | - | - | - |
| - | - | - | - | - |
| 30 | 8 | - | - | 291 |
| <u>11,390</u> | <u>8</u> | <u>122,265</u> | <u>262,209</u> | <u>34,654</u> |
| - | - | - | - | 18,949 |
| 9,901 | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | 122,265 | 262,209 | - |
| <u>9,901</u> | <u>-</u> | <u>122,265</u> | <u>262,209</u> | <u>18,949</u> |
| <u>1,489</u> | <u>8</u> | <u>-</u> | <u>-</u> | <u>15,705</u> |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>1,489</u> | <u>8</u> | <u>-</u> | <u>-</u> | <u>15,705</u> |
| <u>14,342</u> | <u>3,578</u> | <u>-</u> | <u>-</u> | <u>125,365</u> |
| <u>\$ 15,831</u> | <u>\$ 3,586</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 141,070</u> |

CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended June 30, 2012

| | Recreation | 45-B District Court | Total |
|--|-------------------|---------------------|---------------------|
| Revenues | | | |
| Property taxes | \$ 258,342 | \$ - | \$ 1,548,444 |
| Special assessments | - | - | 161,794 |
| Intergovernmental: | | | |
| Federal grants | - | - | 384,474 |
| State grants | - | 91,448 | 1,706,254 |
| Charges for services | - | 185,301 | 1,288,027 |
| Fines and forfeitures | - | - | 8,334 |
| Interest income | - | 81 | 4,658 |
| Total revenues | 258,342 | 276,830 | 5,101,985 |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | 2,049,578 | 2,068,527 |
| Public safety | - | - | 10,401 |
| Road maintenance and repair | - | - | 1,175,485 |
| Public works | - | - | 2,054,701 |
| Community development | - | - | 384,474 |
| Total expenditures | - | 2,049,578 | 5,693,588 |
| Revenues over (under) expenditures | 258,342 | (1,772,748) | (591,603) |
| Other financing sources (uses) | | | |
| Transfers in | - | 1,771,704 | 2,041,704 |
| Transfers out | - | - | (580,000) |
| Total other financing sources (uses) | - | 1,771,704 | 1,461,704 |
| Net change in fund balances | 258,342 | (1,044) | 870,101 |
| Fund balances, beginning of year, as restated | - | 59,853 | 1,613,453 |
| Fund balances (deficit), end of year | \$ 258,342 | \$ 58,809 | \$ 2,483,554 |

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|--|--------------------|-------------------|---------------------|--|
| Revenues | | | | |
| Special assessments | \$ 98,750 | \$ 126,400 | \$ 161,794 | \$ 35,394 |
| Intergovernmental - State grants | 1,000,000 | 1,000,000 | 1,128,746 | 128,746 |
| Interest income | 15,000 | 800 | 1,709 | 909 |
| Total revenues | 1,113,750 | 1,127,200 | 1,292,249 | 165,049 |
| Expenditures | | | | |
| Current - Road maintenance and repair | 985,613 | 901,273 | 606,443 | (294,830) |
| Revenues over expenditures | 128,137 | 225,927 | 685,806 | (459,879) |
| Other financing uses | | | | |
| Transfers out | (270,000) | (270,000) | (270,000) | - |
| Net change in fund balances | (141,863) | (44,073) | 415,806 | (459,879) |
| Fund balances, beginning of year | 645,171 | 645,171 | 645,171 | - |
| Fund balances, end of year | \$ 503,308 | \$ 601,098 | \$ 1,060,977 | \$ (459,879) |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|---|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Intergovernmental - | | | | |
| State grants | \$ 400,000 | \$ 400,000 | \$ 440,337 | \$ 40,337 |
| Interest income | 4,000 | 4,000 | 809 | (3,191) |
| Total revenues | 404,000 | 404,000 | 441,146 | 37,146 |
| Expenditures | | | | |
| Current - | | | | |
| Road maintenance and repair | 624,368 | 614,225 | 569,042 | (45,183) |
| Revenues over (under) expenditures | (220,368) | (210,225) | (127,896) | 82,329 |
| Other financing sources | | | | |
| Transfers in | 270,000 | 270,000 | 270,000 | - |
| Net change in fund balances | 49,632 | 59,775 | 142,104 | 82,329 |
| Fund balances, beginning of year | 341,680 | 341,680 | 341,680 | - |
| Fund balances, end of year | \$ 391,312 | \$ 401,455 | \$ 483,784 | \$ 82,329 |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Solid Waste Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Property taxes | \$ 1,302,340 | \$ 1,300,000 | \$ 1,290,102 | \$ (9,898) |
| Charges for services | 1,146,000 | 1,146,000 | 1,102,726 | (43,274) |
| Interest income | 2,000 | 2,000 | 1,560 | (440) |
| Total revenues | 2,450,340 | 2,448,000 | 2,394,388 | (53,612) |
| Expenditures | | | | |
| Current - | | | | |
| Public works | 2,136,600 | 2,191,300 | 2,054,701 | (136,599) |
| Revenue over expenditures | 313,740 | 256,700 | 339,687 | 82,987 |
| Other financing uses | | | | |
| Transfers out | (310,000) | (310,000) | (310,000) | - |
| Net change in fund balances | 3,740 | (53,300) | 29,687 | 82,987 |
| Fund balances, beginning of year, as restated | 357,467 | 357,467 | 357,467 | - |
| Fund balances, end of year | \$ 361,207 | \$ 304,167 | \$ 387,154 | \$ 82,987 |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Narcotics Forfeiture Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|------------------------------------|--------------------|------------------|------------------|--|
| Revenues | | | | |
| Fines and forfeitures | \$ 15,000 | \$ 15,000 | \$ 8,334 | \$ (6,666) |
| Interest income | - | 92 | 170 | 78 |
| Total revenues | 15,000 | 15,092 | 8,504 | (6,588) |
| Expenditures | | | | |
| Current - | | | | |
| Public safety | 15,000 | 1,250 | 500 | (750) |
| Net change in fund balances | - | 13,842 | 8,004 | (5,838) |
| Fund balances, beginning of year | 65,997 | 65,997 | 65,997 | - |
| Fund balances, end of year | \$ 65,997 | \$ 79,839 | \$ 74,001 | (5,838) |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Criminal Justice Training Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|------------------------------------|--------------------|------------------|------------------|--|
| Revenues | | | | |
| Intergovernmental - | | | | |
| State grants | \$ 15,000 | \$ 15,000 | \$ 11,360 | \$ (3,640) |
| Interest income | 130 | 21 | 30 | 9 |
| Total revenues | 15,130 | 15,021 | 11,390 | (3,631) |
| Expenditures | | | | |
| Current - | | | | |
| Public safety | 15,000 | 15,000 | 9,901 | (5,099) |
| Net change in fund balances | 130 | 21 | 1,489 | 1,468 |
| Fund balances, beginning of year | 14,342 | 14,342 | 14,342 | - |
| Fund balances, end of year | \$ 14,472 | \$ 14,363 | \$ 15,831 | \$ 1,468 |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Disaster Contingency Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|----------------------------------|-----------------|-----------------|-----------------|----------------------------------|
| Revenues | | | | |
| Interest income | \$ 25 | \$ 5 | \$ 8 | \$ 3 |
| Fund balances, beginning of year | <u>3,578</u> | <u>3,578</u> | <u>3,578</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 3,603</u> | <u>\$ 3,583</u> | <u>\$ 3,586</u> | <u>\$ 3</u> |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Community Development Block Grant Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|----------------------------------|--------------------|-----------------|------------|--|
| Revenues | | | | |
| Federal grants | \$ 139,491 | \$ 120,651 | \$ 122,265 | \$ 1,614 |
| Expenditures | | | | |
| Current - | | | | |
| Community development | 139,491 | 120,651 | 122,265 | 1,614 |
| Net change in fund balances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ - | \$ - |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - C.O.P.S Program Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|----------------------------------|-----------------|--------------|------------|----------------------------------|
| Revenues | | | | |
| Federal grants | \$ 268,571 | \$ 295,445 | \$ 262,209 | \$ (33,236) |
| Expenditures | | | | |
| Current - | | | | |
| Community development | 268,571 | 295,445 | 262,209 | (33,236) |
| Net change in fund balances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ - | \$ - |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Caseflow Assistance Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|------------------------------------|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Intergovernmental - | | | | |
| State grants | \$ 24,000 | \$ 24,000 | \$ 34,363 | \$ 10,363 |
| Interest income | 1,700 | 157 | 291 | 134 |
| Total revenues | 25,700 | 24,157 | 34,654 | 10,497 |
| Expenditures | | | | |
| Current - | | | | |
| Judicial | 7,000 | 7,000 | 18,949 | 11,949 |
| Net change in fund balances | 18,700 | 17,157 | 15,705 | (1,452) |
| Fund balances, beginning of year | 125,365 | 125,365 | 125,365 | - |
| Fund balances, end of year | \$ 144,065 | \$ 142,522 | \$ 141,070 | \$ (1,452) |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Recreation Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|----------------------------------|-----------------|--------------|-------------------|----------------------------------|
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ 258,342 | \$ 258,342 |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 258,342</u> | <u>\$ 258,342</u> |

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - 45-B District Court Fund

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|----------------------------------|--------------------|------------------|------------------|--|
| Revenues | | | | |
| Intergovernmental - | | | | |
| State grants | \$ 91,448 | \$ 91,448 | \$ 91,448 | \$ - |
| Charges for services | 195,173 | 195,173 | 185,301 | (9,872) |
| Interest income | 2,454 | 500 | 81 | (419) |
| | <u>289,075</u> | <u>287,121</u> | <u>276,830</u> | <u>(10,291)</u> |
| Total revenues | | | | |
| Expenditures | | | | |
| Current - | | | | |
| Judicial | <u>1,959,275</u> | <u>1,978,220</u> | <u>2,049,578</u> | <u>71,358</u> |
| Revenues under expenditures | (1,670,200) | (1,691,099) | (1,772,748) | (81,649) |
| Other financing sources | | | | |
| Transfers in | <u>1,670,200</u> | <u>1,691,099</u> | <u>1,771,704</u> | <u>80,605</u> |
| Net change in fund balances | - | - | (1,044) | (1,044) |
| Fund balances, beginning of year | <u>59,853</u> | <u>59,853</u> | <u>59,853</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 59,853</u> | <u>\$ 59,853</u> | <u>\$ 58,809</u> | <u>\$ (1,044)</u> |

CITY OF OAK PARK, MICHIGAN

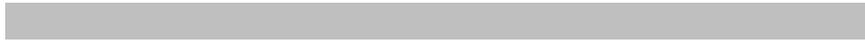
Combining Statement of Net Assets

Nonmajor Governmental Funds

Debt Service Funds

June 30, 2012

| | 2003 Street Improvement Bond | 2003 Street Refunding Bond | 2006 Street Improvement Bond |
|---|------------------------------------|----------------------------------|------------------------------------|
| Assets | | | |
| Cash and investments | \$ 157,604 | \$ 54,531 | \$ 146,303 |
| Receivables: | | | |
| Taxes | 22,792 | 47,798 | 24,112 |
| Accrued interest | 17 | 19 | 15 |
| Due from other funds | - | - | 2,100 |
| Total assets | \$ 180,413 | \$ 102,348 | \$ 172,530 |
| Liabilities | | | |
| Due to other funds | \$ 111,872 | \$ 55,046 | \$ 116,692 |
| Deferred revenue | 22,617 | 47,302 | 23,948 |
| Total liabilities | 134,489 | 102,348 | 140,640 |
| Fund balances | | | |
| Restricted | 45,924 | - | 31,890 |
| Total liabilities and fund balance | \$ 180,413 | \$ 102,348 | \$ 172,530 |



| 2010 Municipal Complex Bond | 2011 Library and Recreation Lease | Municipal Building Authority | Total |
|-----------------------------|-----------------------------------|------------------------------|-------------------|
| \$ - | \$ 21,874 | \$ 10,084 | \$ 390,396 |
| - | - | - | 94,702 |
| - | 8 | - | 59 |
| 281,510 | - | - | 283,610 |
| <u>\$ 281,510</u> | <u>\$ 21,882</u> | <u>\$ 10,084</u> | <u>\$ 768,767</u> |
| \$ 281,510 | \$ - | \$ - | \$ 565,120 |
| - | - | - | 93,867 |
| 281,510 | - | - | 658,987 |
| - | 21,882 | 10,084 | 109,780 |
| <u>\$ 281,510</u> | <u>\$ 21,882</u> | <u>\$ 10,084</u> | <u>\$ 768,767</u> |

CITY OF OAK PARK, MICHIGAN

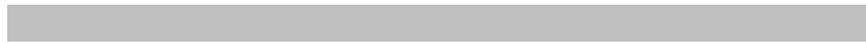
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Debt Service Funds

For the Year Ended June 30, 2012

| | 2003 Street Improvement Bond | 2003 Street Refunding Bond | 2006 Street Improvement Bond |
|--|------------------------------------|----------------------------------|------------------------------------|
| Revenues | | | |
| Property taxes | \$ 712,554 | \$ 915,921 | \$ 703,730 |
| Interest income | 1,436 | 1,999 | 1,339 |
| Total revenues | <u>713,990</u> | <u>917,920</u> | <u>705,069</u> |
| Expenditures | | | |
| Debt service: | | | |
| Principal | 280,000 | 865,000 | 225,000 |
| Interest | 439,169 | 47,376 | 463,295 |
| Prior year tax refund | - | - | 11,131 |
| Total expenditures | <u>719,169</u> | <u>912,376</u> | <u>699,426</u> |
| Revenues (under) over expenditures | <u>(5,179)</u> | <u>5,544</u> | <u>5,643</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Transfers out | (111,872) | (284,021) | (116,692) |
| Total other financing sources (uses) | <u>(111,872)</u> | <u>(284,021)</u> | <u>(116,692)</u> |
| Net change in fund balances | <u>(117,051)</u> | <u>(278,477)</u> | <u>(111,049)</u> |
| Fund balances, beginning of year, as restated | <u>162,975</u> | <u>278,477</u> | <u>142,939</u> |
| Fund balances, end of year | <u>\$ 45,924</u> | <u>\$ -</u> | <u>\$ 31,890</u> |



| 2010 Municipal Complex Bond | 2011 Library and Recreation Lease | Municipal Building Authority | Total |
|-----------------------------|-----------------------------------|------------------------------|--------------|
| \$ - | \$ - | \$ - | \$ 2,332,205 |
| 66 | 35 | 48 | 4,923 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 66 | 35 | 48 | 2,337,128 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 50,000 | - | - | 1,420,000 |
| 462,651 | 28,153 | - | 1,440,644 |
| - | - | - | 11,131 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 512,651 | 28,153 | - | 2,871,775 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| (512,585) | (28,118) | 48 | (534,647) |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 512,585 | 50,000 | - | 562,585 |
| - | - | - | (512,585) |
| <hr/> | <hr/> | <hr/> | <hr/> |
| 512,585 | 50,000 | - | 50,000 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| - | 21,882 | 48 | (484,647) |
| <hr/> | <hr/> | <hr/> | <hr/> |
| - | - | 10,036 | 594,427 |
| <hr/> | <hr/> | <hr/> | <hr/> |
| \$ - | \$ 21,882 | \$ 10,084 | \$ 109,780 |
| <hr/> | <hr/> | <hr/> | <hr/> |

CITY OF OAK PARK, MICHIGAN

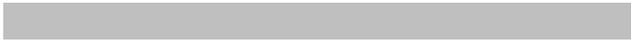
Combining Statement of Net Assets

Nonmajor Governmental Funds

Capital Projects Funds

June 30, 2012

| | Public Improvement | City Owned Property | Sidewalk Program |
|--|-----------------------|------------------------|---------------------|
| Assets | | | |
| Cash and investments | \$ 54,109 | \$ 32,032 | \$ 141,359 |
| Receivables: | | | |
| Special assessments | - | - | 33,091 |
| Accounts | - | - | 8,422 |
| Accrued interest | 19 | 11 | 49 |
| Prepaid items | - | - | 82 |
| Total assets | <u>\$ 54,128</u> | <u>\$ 32,043</u> | <u>\$ 183,003</u> |
| Liabilities | | | |
| Accounts payable | \$ - | \$ - | \$ 850 |
| Accrued liabilities | - | - | 556 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>1,406</u> |
| Fund balances | | | |
| Nonspendable | - | - | 82 |
| Restricted | - | - | - |
| Assigned | 54,128 | 32,043 | 181,515 |
| Total fund balance | <u>54,128</u> | <u>32,043</u> | <u>181,597</u> |
| Total liabilities and fund balances | <u>\$ 54,128</u> | <u>\$ 32,043</u> | <u>\$ 183,003</u> |



| Road Construction | Municipal Building Construction | Total |
|---------------------|---------------------------------|---------------------|
| \$ 1,719,501 | \$ 1,096,570 | \$ 3,043,571 |
| - | - | 33,091 |
| - | - | 8,422 |
| 621 | 379 | 1,079 |
| - | - | 82 |
| <u>\$ 1,720,122</u> | <u>\$ 1,096,949</u> | <u>\$ 3,086,245</u> |
| \$ 9,000 | \$ - | \$ 9,850 |
| - | - | 556 |
| <u>9,000</u> | <u>-</u> | <u>10,406</u> |
| - | - | 82 |
| 1,711,122 | - | 1,711,122 |
| - | 1,096,949 | 1,364,635 |
| <u>1,711,122</u> | <u>1,096,949</u> | <u>3,075,839</u> |
| <u>\$ 1,720,122</u> | <u>\$ 1,096,949</u> | <u>\$ 3,086,245</u> |

CITY OF OAK PARK, MICHIGAN

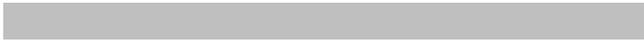
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Capital Project Funds

For the Year Ended June 30, 2012

| | Public Improvement | City Owned Property | Sidewalk Program |
|------------------------------------|-----------------------|------------------------|---------------------|
| Revenues | | | |
| Special assessments | \$ - | \$ - | \$ 50,331 |
| Fines and forfeitures | - | - | - |
| Interest income | 122 | 869 | 4,339 |
| Total revenues | 122 | 869 | 54,670 |
| Expenditures | | | |
| Public works | - | - | 25,779 |
| Community development | - | 14 | - |
| Capital outlay | - | 38 | - |
| Total expenditures | - | 52 | 25,779 |
| Revenues over (under) expenditures | 122 | 817 | 28,891 |
| Other financing sources | | | |
| Transfers in | - | 55,000 | - |
| Net change in fund balances | 122 | 55,817 | 28,891 |
| Fund balances, beginning of year | 54,006 | (23,774) | 152,706 |
| Fund balances, end of year | \$ 54,128 | \$ 32,043 | \$ 181,597 |



| Road Construction | Municipal Building Construction | Total |
|---------------------|---------------------------------|---------------------|
| \$ 1,865 | \$ - | \$ 52,196 |
| - | 243,369 | 243,369 |
| 4,292 | 2,266 | 11,888 |
| <u>6,157</u> | <u>245,635</u> | <u>307,453</u> |
| - | - | 25,779 |
| - | - | 14 |
| 221,881 | - | 221,919 |
| <u>221,881</u> | <u>-</u> | <u>247,712</u> |
| (215,724) | 245,635 | 59,741 |
| - | - | 55,000 |
| <u>(215,724)</u> | <u>245,635</u> | <u>114,741</u> |
| 1,926,846 | 851,314 | 2,961,098 |
| <u>\$ 1,711,122</u> | <u>\$ 1,096,949</u> | <u>\$ 3,075,839</u> |

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Assets

Internal Service Funds

June 30, 2012

| | Risk Management | Central Services | Motor Pool | Retirees Health Care Court | Total |
|----------------------------------|-------------------|------------------|---------------------|----------------------------|---------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 448,387 | \$ 29,706 | \$ 81,887 | \$ 32,298 | \$ 592,278 |
| Accrued interest receivable | 155 | 10 | 30 | 12 | 207 |
| Prepaid items | 49,320 | - | 2,248 | 10,937 | 62,505 |
| Total current assets | 497,862 | 29,716 | 84,165 | 43,247 | 654,990 |
| Noncurrent assets - | | | | | |
| Capital assets, net | - | - | 1,338,702 | - | 1,338,702 |
| Total assets | 497,862 | 29,716 | 1,422,867 | 43,247 | 1,993,692 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | - | 138 | 10,828 | - | 10,966 |
| Accrued and other liabilities | 74,000 | - | 20,389 | - | 94,389 |
| Total current liabilities | 74,000 | 138 | 31,217 | - | 105,355 |
| Noncurrent liabilities - | | | | | |
| Accrued compensated absences | - | - | 1,333 | - | 1,333 |
| Total liabilities | 74,000 | 138 | 32,550 | - | 106,688 |
| Net assets | | | | | |
| Invested in capital assets | - | - | 1,338,702 | - | 1,338,702 |
| Unrestricted | 423,862 | 29,578 | 51,615 | 43,247 | 548,302 |
| Total net assets | \$ 423,862 | \$ 29,578 | \$ 1,390,317 | \$ 43,247 | \$ 1,887,004 |

CITY OF OAK PARK, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2012**

| | Risk Management | Central Services | Motor Pool | Retirees Health Care Court | Total |
|--------------------------------------|--------------------|---------------------|---------------------|----------------------------------|---------------------|
| Operating revenues | | | | | |
| Charges for services | \$ 457,675 | \$ 75,000 | \$ 375,977 | \$ 20,000 | \$ 928,652 |
| Miscellaneous | 141,349 | - | 13,039 | 141,628 | 296,016 |
| Total operating revenues | 599,024 | 75,000 | 389,016 | 161,628 | 1,224,668 |
| Operating expenses | | | | | |
| Gas purchases | - | - | 187,997 | - | 187,997 |
| Professional services | - | 7,489 | 7,509 | - | 14,998 |
| Supplies | - | 583 | 144,893 | - | 145,476 |
| Postage | - | 56,948 | - | - | 56,948 |
| Depreciation | - | - | 198,717 | - | 198,717 |
| Wages and benefits | - | - | 198,579 | - | 198,579 |
| Insurance payments | 540,984 | - | - | 204,936 | 745,920 |
| Total operating expenses | 540,984 | 65,020 | 737,695 | 204,936 | 1,548,635 |
| Operating income (loss) | 58,040 | 9,980 | (348,679) | (43,308) | (323,967) |
| Nonoperating revenues | | | | | |
| Interest income | 864 | 53 | 416 | 111 | 1,444 |
| Change in net assets | 58,904 | 10,033 | (348,263) | (43,197) | (322,523) |
| Total net assets, beginning of year | 364,958 | 19,545 | 1,738,580 | 86,444 | 2,209,527 |
| Total net assets, end of year | \$ 423,862 | \$ 29,578 | \$ 1,390,317 | \$ 43,247 | \$ 1,887,004 |

CITY OF OAK PARK, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended June 30, 2012

| | Risk Management | Central Services | Motor Pool | Retirees Health Care Court | Total |
|--|-------------------|------------------|---------------------|----------------------------|---------------------|
| Cash flows from operating activities | | | | | |
| Receipts from interfund services | \$ 457,675 | \$ 75,000 | \$ 375,977 | \$ 20,000 | \$ 928,652 |
| Payments to suppliers | (260,829) | (65,392) | (353,478) | (14,134) | (693,833) |
| Payments to employees | (263,580) | - | (196,597) | (204,937) | (665,114) |
| Miscellaneous receipts | 141,349 | - | 13,039 | 141,628 | 296,016 |
| Net cash provided (used) by operating activities | 74,615 | 9,608 | (161,059) | (57,443) | (134,279) |
| Cash flows from capital and related financing activities | | | | | |
| Purchases of capital assets | - | - | (72,002) | - | (72,002) |
| Cash flows from investing activities | | | | | |
| Interest and dividends | 768 | 46 | 436 | 113 | 1,363 |
| Net change in cash and investments | 75,383 | 9,654 | (232,625) | (57,330) | (204,918) |
| Cash and investments, beginning of year | 373,004 | 20,052 | 314,512 | 89,628 | 797,196 |
| Cash and investments, end of year | \$ 448,387 | \$ 29,706 | \$ 81,887 | \$ 32,298 | \$ 592,278 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ 58,040 | \$ 9,980 | \$ (348,679) | \$ (43,308) | \$ (323,967) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation expense | - | - | 198,717 | - | 198,717 |
| Change in assets and liabilities: | | | | | |
| Prepaid items | 16,575 | 225 | (653) | (1,477) | 14,670 |
| Accounts payable | - | (597) | (12,426) | (12,658) | (25,681) |
| Accrued liabilities | - | - | 649 | - | 649 |
| Accrued compensated absences | - | - | 1,333 | - | 1,333 |
| Net cash provided (used) by operating activities | \$ 74,615 | \$ 9,608 | \$ (161,059) | \$ (57,443) | \$ (134,279) |

CITY OF OAK PARK, MICHIGAN

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2012

| | Payroll Fund | Escrow Fund | Tax Fund | Total Agency Funds |
|----------------------------|------------------|-------------------|---------------|--------------------------|
| Assets | | | | |
| Cash and investments | \$ 40,199 | \$ 146,934 | \$ 158 | \$ 187,291 |
| Due from other governments | - | 171 | - | 171 |
| Total assets | <u>\$ 40,199</u> | <u>\$ 147,105</u> | <u>\$ 158</u> | <u>\$ 187,462</u> |
| Liabilities | | | | |
| Undistributed receipts | <u>\$ 40,199</u> | <u>\$ 147,105</u> | <u>\$ 158</u> | <u>\$ 187,462</u> |

CITY OF OAK PARK, MICHIGAN

Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2012

| | Balance June 30, 2011 | Additions | Deductions | Balance June 30, 2012 |
|-------------------------------|-----------------------------|---------------|-----------------|-----------------------------|
| <i>Payroll Fund</i> | | | | |
| Assets | | | | |
| Cash and investments | \$ 158,304 | \$ 35,738,889 | \$ (35,856,994) | \$ 40,199 |
| Liabilities | | | | |
| Undistributed receipts | \$ 158,304 | \$ 3,678,843 | \$ (3,796,948) | \$ 40,199 |
| <i>Escrow Fund</i> | | | | |
| Assets | | | | |
| Cash and investments | \$ 121,442 | \$ 613,305 | \$ (587,813) | \$ 146,934 |
| Due from other governments | 1,927 | 9,911 | (11,667) | 171 |
| Total assets | \$ 123,369 | \$ 623,216 | \$ (599,480) | \$ 147,105 |
| Liabilities | | | | |
| Undistributed receipts | \$ 123,369 | \$ 603,740 | \$ (580,004) | \$ 147,105 |
| <i>Tax Fund</i> | | | | |
| Assets | | | | |
| Cash and investments | \$ - | \$ 158 | \$ - | \$ 158 |
| Liabilities | | | | |
| Undistributed receipts | \$ - | \$ 158 | \$ - | \$ 158 |
| <i>Total All Agency Funds</i> | | | | |
| Assets | | | | |
| Cash and investments | \$ 279,746 | \$ 36,352,352 | \$ (36,444,807) | \$ 187,291 |
| Due from other governments | 1,927 | 9,911 | (11,667) | 171 |
| Total assets | \$ 281,673 | \$ 36,362,263 | \$ (36,456,474) | \$ 187,462 |
| Liabilities | | | | |
| Undistributed receipts | \$ 281,673 | \$ 4,282,741 | \$ (4,376,952) | \$ 187,462 |

STATISTICAL SECTION

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CITY OF OAK PARK, MICHIGAN

Statistical Section Table of Contents

This part of the City of Oak Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| | | <u>Page</u> |
|--------------------------------------|--|-------------|
| Financial Trends | These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 114 |
| Revenue Capacity | These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | 124 |
| Debt Capacity | These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 130 |
| Demographic and Economic Information | These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 135 |
| Operating Information | These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. | 136 |

Sources: Unless otherwise noted, the information in these schedules are derived from the annual financial reports for the applicable year.

CITY OF OAK PARK, MICHIGAN

Net Assets by Component

Last Ten Fiscal Years

(accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 |
|--|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ 1,165,203 | \$ 3,558,851 | \$ 6,932,515 | \$ 5,900,897 |
| Restricted | 11,399,846 | 9,133,267 | 6,493,091 | 7,544,580 |
| Unrestricted (deficit) | 4,291,274 | 4,746,858 | 5,446,259 | 5,129,771 |
| Total governmental activities | \$ 16,856,323 | \$ 17,438,976 | \$ 18,871,865 | \$ 18,575,248 |
| Business-type activities | | | | |
| Invested in capital assets, net of related debt | \$ 4,102,500 | \$ 4,923,978 | \$ 7,042,392 | \$ 9,338,966 |
| Unrestricted | 4,606,284 | 4,269,224 | 3,381,129 | 3,752,044 |
| Total business-type activities | \$ 8,708,784 | \$ 9,193,202 | \$ 10,423,521 | \$ 13,091,010 |
| Primary government | | | | |
| Invested in capital assets, net of related debt | \$ 5,267,703 | \$ 8,482,829 | \$ 13,974,907 | \$ 15,239,863 |
| Restricted | 11,399,846 | 9,133,267 | 6,493,091 | 7,544,580 |
| Unrestricted (deficit) | 8,897,558 | 9,016,082 | 8,827,388 | 8,881,815 |
| Total primary government | \$ 25,565,107 | \$ 26,632,178 | \$ 29,295,386 | \$ 31,666,258 |

Schedule 1
Unaudited

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 6,375,013 | \$ 11,739,781 | \$ 14,884,759 | \$ 15,406,195 | \$ 2,076,411 | \$ 1,805,028 |
| 9,519,782 | 5,140,968 | 3,201,454 | 4,088,332 | 16,892,886 | 16,169,292 |
| 3,724,361 | 2,463,887 | (1,865,169) | (4,176,964) | (7,479,222) | (12,720,940) |
| <u>\$ 19,619,156</u> | <u>\$ 19,344,636</u> | <u>\$ 16,221,044</u> | <u>\$ 15,317,563</u> | <u>\$ 11,490,075</u> | <u>\$ 5,253,380</u> |
| | | | | | |
| \$ 11,041,086 | \$ 12,723,979 | \$ 14,053,708 | \$ 16,780,263 | \$ 17,689,440 | \$ 15,566,968 |
| 3,467,097 | 2,883,239 | 2,734,483 | 503,073 | 1,623,541 | 4,345,077 |
| <u>\$ 14,508,183</u> | <u>\$ 15,607,218</u> | <u>\$ 16,788,191</u> | <u>\$ 17,283,336</u> | <u>\$ 19,312,981</u> | <u>\$ 19,912,045</u> |
| | | | | | |
| \$ 17,416,099 | \$ 24,463,760 | \$ 28,938,467 | \$ 32,186,458 | \$ 19,765,851 | \$ 17,371,996 |
| 9,519,782 | 5,140,968 | 3,201,454 | 4,088,332 | 16,892,886 | 16,169,292 |
| 7,191,458 | 5,347,126 | 869,314 | (3,673,891) | (5,855,681) | (8,375,863) |
| <u>\$ 34,127,339</u> | <u>\$ 34,951,854</u> | <u>\$ 33,009,235</u> | <u>\$ 32,600,899</u> | <u>\$ 30,803,056</u> | <u>\$ 25,165,425</u> |

CITY OF OAK PARK, MICHIGAN

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 |
|--|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 4,768,500 | \$ 4,777,118 | \$ 4,693,567 | \$ 5,154,667 |
| Judicial | 2,064,387 | 1,985,825 | 2,049,750 | 2,270,554 |
| Public safety | 7,702,056 | 8,103,198 | 9,847,977 | 10,720,861 |
| Road maintenance and repair | 2,771,996 | 2,202,260 | 2,286,830 | 3,318,828 |
| Public works | 1,317,853 | 1,391,348 | 1,309,277 | 1,365,837 |
| Health and sanitation | 1,729,437 | 1,901,589 | 2,015,234 | 2,124,102 |
| Culture and recreation | 1,373,338 | 1,336,795 | 1,270,849 | 1,356,385 |
| Library | 763,799 | 845,802 | 837,813 | 885,081 |
| Community development | 563,495 | 386,063 | 288,244 | 260,461 |
| Interest on long-term debt | 1,034,325 | 893,426 | 752,489 | 707,092 |
| Unallocated | - | - | - | - |
| Total governmental activities | 24,089,186 | 23,823,424 | 25,352,030 | 28,163,868 |
| Business-type activities: | | | | |
| Water and sewer | 7,355,360 | 7,489,197 | 7,083,210 | 8,039,854 |
| Total primary government expenses | 31,444,546 | 31,312,621 | 32,435,240 | 36,203,722 |
| Program revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | 488,184 | 527,537 | 926,595 | 891,142 |
| Judicial | 758,468 | 582,471 | 587,217 | 656,836 |
| Public safety | 1,428,287 | 1,232,209 | 1,442,360 | 1,832,233 |
| Road maintenance and repair | 135,271 | 1,850 | (11,584) | (12,982) |
| Public works | 161,951 | 119,523 | 289,466 | 131,299 |
| Health and sanitation | 574,180 | 540,740 | 454,678 | 500,888 |
| Culture and recreation | 463,926 | 452,690 | 473,684 | 431,907 |
| Library | 74,983 | 70,360 | 69,421 | 26,410 |
| Community development | 116,868 | 52,907 | 7,510 | (5,165) |
| Unallocated | - | - | - | - |
| Operating grants and contributions | 1,973,731 | 2,134,836 | 2,009,995 | 2,086,065 |
| Capital grants and contributions | 30,100 | - | - | - |
| Total governmental activities | 6,205,949 | 5,715,123 | 6,249,342 | 6,538,633 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water and sewer | 8,112,778 | 7,881,527 | 8,213,692 | 10,547,749 |
| Total primary government program revenues | 14,318,727 | 13,596,650 | 14,463,034 | 17,086,382 |
| Net (expense)/revenue | | | | |
| Government activities | (17,883,237) | (18,108,301) | (19,102,688) | (21,625,235) |
| Business-type activities | 757,418 | 392,330 | 1,130,482 | 2,507,895 |
| Total primary government net expense | (17,125,819) | (17,715,971) | (17,972,206) | (19,117,340) |

Schedule 2
Unaudited

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 5,067,647 | \$ 5,415,064 | \$ 5,664,693 | \$ 5,455,233 | \$ 5,175,795 | \$ 4,702,670 |
| 2,268,921 | 2,457,418 | 3,110,586 | 2,480,818 | 2,438,608 | 2,536,686 |
| 11,089,786 | 10,772,176 | 12,207,633 | 11,980,655 | 11,807,208 | 10,268,074 |
| 2,708,853 | 3,117,566 | 3,264,468 | 3,132,845 | 3,773,388 | 3,557,279 |
| 1,096,676 | 1,591,527 | 1,790,791 | 1,748,297 | 1,468,111 | 960,745 |
| 2,186,048 | 1,993,747 | 2,165,616 | 2,074,094 | 1,938,016 | 2,079,476 |
| 1,268,706 | 1,329,227 | 1,529,508 | 1,346,217 | 1,257,593 | 966,087 |
| 836,669 | 858,674 | 1,040,661 | 1,028,408 | 904,488 | 945,653 |
| 299,539 | 334,654 | 584,284 | 1,499,055 | 1,889,763 | 981,099 |
| 1,148,474 | 1,116,640 | 1,076,660 | 1,038,320 | 1,211,375 | 1,563,087 |
| - | - | - | - | - | 2,804,481 |
| <u>27,971,319</u> | <u>28,986,693</u> | <u>32,434,900</u> | <u>31,783,942</u> | <u>31,864,345</u> | <u>31,365,337</u> |
| | | | | | |
| <u>7,835,161</u> | <u>8,061,610</u> | <u>8,019,513</u> | <u>8,796,597</u> | <u>8,721,512</u> | <u>9,517,443</u> |
| | | | | | |
| <u>35,806,480</u> | <u>37,048,303</u> | <u>40,454,413</u> | <u>40,580,539</u> | <u>40,585,857</u> | <u>40,882,780</u> |
| | | | | | |
| 599,632 | 582,978 | 471,650 | 470,968 | 491,946 | 1,328,037 |
| 656,578 | 704,560 | 650,713 | 609,349 | 620,549 | 185,301 |
| 1,856,111 | 1,395,297 | 1,445,393 | 1,422,872 | 1,436,686 | 46,635 |
| 21,919 | - | - | 72,648 | - | 148,312 |
| 214,874 | 144,345 | 405,399 | 153,071 | 399,625 | 294,580 |
| 577,620 | 565,490 | 611,694 | 644,564 | 835,541 | 1,101,773 |
| 469,373 | 464,371 | 435,876 | 471,547 | 433,396 | - |
| 21,521 | 14,175 | 13,475 | 20,593 | 18,475 | 11,436 |
| (2,335) | - | 8,960 | 3,136 | 94,507 | 365 |
| - | - | - | - | - | 1,641,122 |
| 2,080,915 | 1,817,794 | 2,054,958 | 4,457,172 | 3,801,612 | 2,599,832 |
| - | - | 35,158 | 50,000 | - | 893 |
| <u>6,496,208</u> | <u>5,689,010</u> | <u>6,133,276</u> | <u>8,375,920</u> | <u>8,132,337</u> | <u>7,358,286</u> |
| | | | | | |
| <u>9,034,465</u> | <u>8,972,129</u> | <u>9,050,017</u> | <u>9,148,095</u> | <u>10,676,880</u> | <u>10,726,423</u> |
| | | | | | |
| <u>15,530,673</u> | <u>14,661,139</u> | <u>15,183,293</u> | <u>17,524,015</u> | <u>18,809,217</u> | <u>18,084,709</u> |
| | | | | | |
| (21,475,111) | (23,297,683) | (26,301,624) | (23,408,022) | (23,732,008) | (24,007,051) |
| <u>1,199,304</u> | <u>910,519</u> | <u>1,030,504</u> | <u>351,498</u> | <u>1,955,368</u> | <u>1,208,980</u> |
| | | | | | |
| <u>(20,275,807)</u> | <u>(22,387,164)</u> | <u>(25,271,120)</u> | <u>(23,056,524)</u> | <u>(21,776,640)</u> | <u>(22,798,071)</u> |

continued...

CITY OF OAK PARK, MICHIGAN

Changes in Net Assets

Last Ten Years

(accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| General revenues | | | | |
| Governmental activities: | | | | |
| Property taxes | \$ 18,128,805 | \$ 18,088,249 | \$ 19,774,491 | \$ 20,294,741 |
| State shared revenues | - | - | - | - |
| Franchise fees | 336,312 | 424,167 | 453,310 | 460,244 |
| Investment earnings | 272,233 | 228,538 | 357,776 | 623,633 |
| Miscellaneous | - | - | - | - |
| Transfers | (50,000) | (50,000) | (50,000) | (50,000) |
| Total governmental activities | <u>18,687,350</u> | <u>18,690,954</u> | <u>20,535,577</u> | <u>21,328,618</u> |
| Business-type activities: | | | | |
| Investment earnings | 138,659 | 42,498 | 49,837 | 109,594 |
| Transfers | 50,000 | 50,000 | 50,000 | 50,000 |
| Total business-type activities | <u>188,659</u> | <u>92,498</u> | <u>99,837</u> | <u>159,594</u> |
| Total primary government | <u>18,876,009</u> | <u>18,783,452</u> | <u>20,635,414</u> | <u>21,488,212</u> |
| Change in net assets | | | | |
| Governmental activities | 804,113 | 582,653 | 1,432,889 | (296,617) |
| Business-type activities | 946,077 | 484,828 | 1,230,319 | 2,667,489 |
| Total primary government | <u>\$ 1,750,190</u> | <u>\$ 1,067,481</u> | <u>\$ 2,663,208</u> | <u>\$ 2,370,872</u> |

Schedule 2
Unaudited

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------|-------------------|-----------------------|---------------------|-----------------------|-----------------------|
| \$ 20,977,326 | \$ 21,890,823 | \$ 22,730,399 | \$ 18,138,062 | \$ 15,762,619 | \$ 15,222,837 |
| - | - | - | 3,622,093 | 3,438,471 | 2,937,911 |
| 518,234 | 560,384 | 584,255 | 669,415 | 701,558 | 714,074 |
| 1,073,459 | 621,956 | 318,845 | 73,560 | 60,045 | 60,524 |
| - | 19,801 | 8,561 | 51,411 | (8,173) | - |
| (50,000) | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) |
| <u>22,519,019</u> | <u>23,042,964</u> | <u>23,592,060</u> | <u>22,504,541</u> | <u>19,904,520</u> | <u>18,885,346</u> |
| 167,869 | 118,715 | 100,469 | 93,647 | 24,277 | 30,156 |
| 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| <u>217,869</u> | <u>168,715</u> | <u>150,469</u> | <u>143,647</u> | <u>74,277</u> | <u>80,156</u> |
| <u>22,736,888</u> | <u>23,211,679</u> | <u>23,742,529</u> | <u>22,648,188</u> | <u>19,978,797</u> | <u>18,965,502</u> |
| 1,043,908 | (254,719) | (2,709,564) | (903,481) | (3,827,488) | (5,121,705) |
| 1,417,173 | 1,079,234 | 1,180,973 | 495,145 | 2,029,645 | 1,289,136 |
| <u>\$ 2,461,081</u> | <u>\$ 824,515</u> | <u>\$ (1,528,591)</u> | <u>\$ (408,336)</u> | <u>\$ (1,797,843)</u> | <u>\$ (3,832,569)</u> |

concluded

CITY OF OAK PARK, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 |
|---|----------------------|----------------------|----------------------|----------------------|
| General fund | | | | |
| Nonspendable | \$ 233,265 | \$ 248,672 | \$ 231,003 | \$ 141,640 |
| Unassigned | 2,163,490 | 2,044,775 | 2,122,398 | 1,869,129 |
| Total general fund | 2,396,755 | 2,293,447 | 2,353,401 | 2,010,769 |
| All other governmental funds | | | | |
| Nonspendable | 32,992 | 35,515 | 34,938 | 35,434 |
| Restricted | 12,420,977 | 10,824,929 | 8,612,892 | 16,365,862 |
| Assigned | 274,921 | 282,328 | 334,783 | 371,772 |
| Unassigned deficit | - | - | - | - |
| Total all other governmental funds | 12,728,890 | 11,142,772 | 8,982,613 | 16,773,068 |
| Total all governmental funds | \$ 15,125,645 | \$ 13,436,219 | \$ 11,336,014 | \$ 18,783,837 |

Schedule 3
Unaudited

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| \$ 302,693 | \$ 114,609 | \$ 90,444 | \$ 191,983 | \$ 234,242 | \$ 245,037 |
| <u>1,735,777</u> | <u>1,784,828</u> | <u>2,029,085</u> | <u>1,970,324</u> | <u>1,514,649</u> | <u>312,162</u> |
| <u>2,038,470</u> | <u>1,899,437</u> | <u>2,119,529</u> | <u>2,162,307</u> | <u>1,748,891</u> | <u>557,199</u> |
| 64,165 | 20,859 | 23,368 | 33,737 | 25,396 | 22,815 |
| 10,265,178 | 5,757,552 | 3,453,091 | 4,569,839 | 17,436,759 | 16,146,559 |
| 493,669 | 643,161 | 784,216 | 835,683 | 1,082,319 | 1,413,109 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>10,823,012</u> | <u>6,421,572</u> | <u>4,260,675</u> | <u>5,439,259</u> | <u>18,544,474</u> | <u>17,582,483</u> |
| <u>\$ 12,861,482</u> | <u>\$ 8,321,009</u> | <u>\$ 6,380,204</u> | <u>\$ 7,601,566</u> | <u>\$ 20,293,365</u> | <u>\$ 18,139,682</u> |

CITY OF OAK PARK, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 |
|---|----------------------|-----------------------|-----------------------|---------------------|
| Revenues | | | | |
| Property taxes | \$ 13,581,507 | \$ 14,003,176 | \$ 15,772,412 | \$ 15,943,238 |
| Special assessments | 255,553 | 33,034 | 192,924 | 47,144 |
| Licenses and permits | 289,526 | 342,338 | 394,236 | 416,152 |
| Intergovernmental | 6,505,693 | 6,186,128 | 5,919,137 | 5,943,230 |
| Charges for services | 1,410,403 | 1,248,566 | 1,182,732 | 1,207,837 |
| Fines and forfeitures | 1,717,428 | 1,477,959 | 1,563,614 | 2,008,853 |
| Interest income | 303,428 | 197,155 | 364,088 | 637,781 |
| Other | 630,064 | 930,710 | 1,360,528 | 1,378,951 |
| Total revenues | 24,693,602 | 24,419,066 | 26,749,671 | 27,583,186 |
| Expenditures | | | | |
| Judicial | 1,990,428 | 1,827,938 | 1,825,187 | 2,034,224 |
| General government | 4,110,182 | 4,088,575 | 3,909,447 | 4,380,187 |
| Public safety | 7,255,487 | 7,420,205 | 9,136,958 | 10,051,563 |
| Road maintenance and repair | 1,362,110 | 905,029 | 982,314 | 1,821,591 |
| Public works | 2,758,699 | 2,897,643 | 3,010,974 | 3,126,486 |
| Recreation and culture | 1,257,417 | 1,199,297 | 1,129,270 | 1,210,523 |
| Library | 688,841 | 765,011 | 754,336 | 792,078 |
| Community development | 491,329 | 312,309 | 211,270 | 187,818 |
| Nondepartmental | 1,737,075 | 1,776,992 | 2,151,016 | 2,020,698 |
| Debt service: | | | | |
| Principal | 1,890,000 | 1,600,000 | 1,845,000 | 1,875,000 |
| Interest | 1,034,325 | 892,765 | 752,489 | 707,092 |
| Prior year tax refunds | - | - | - | - |
| Capital outlay | 725,395 | 2,372,728 | 3,091,615 | 3,072,493 |
| Total expenditures | 25,301,288 | 26,058,492 | 28,799,876 | 31,279,753 |
| Revenues over (under) expenditures | (607,686) | (1,639,426) | (2,050,205) | (3,696,567) |
| Other financing sources (uses) | | | | |
| Proceeds from sales of bonds | 11,500,000 | - | - | 10,890,965 |
| Refunding bonds issued | 11,875,000 | - | - | - |
| Payment to refunding bond escrow agent | (11,828,750) | - | - | - |
| Proceeds from capital lease | - | - | - | - |
| Capital assets | - | - | - | 303,425 |
| Transfers in | 2,541,886 | 2,153,141 | 2,036,085 | 2,267,989 |
| Transfers out | (2,591,886) | (2,203,141) | (2,086,085) | (2,317,989) |
| Total other financing sources (uses) | 11,496,250 | (50,000) | (50,000) | 11,144,390 |
| Net changes in fund balances | \$ 10,888,564 | \$ (1,689,426) | \$ (2,100,205) | \$ 7,447,823 |
| Debt services as a percentage of noncapital expenditures | 11.90% | 10.52% | 10.10% | 9.15% |

Schedule 4
Unaudited

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|-----------------------|-----------------------|---------------------|----------------------|-----------------------|
| \$ 16,908,767 | \$ 17,767,651 | \$ 18,750,272 | \$ 18,170,382 | \$ 15,793,548 | \$ 14,806,367 |
| 138,808 | 138,295 | 470,023 | 191,247 | 468,193 | 213,990 |
| 397,567 | 332,852 | 269,104 | 286,918 | 324,819 | 410,216 |
| 5,923,017 | 5,967,334 | 5,964,854 | 7,974,547 | 7,061,634 | 5,498,001 |
| 1,274,814 | 1,296,719 | 1,309,149 | 1,395,148 | 1,571,672 | 2,084,989 |
| 2,212,430 | 1,983,156 | 1,929,781 | 1,862,371 | 1,864,326 | 1,939,928 |
| 1,038,284 | 691,790 | 342,713 | 77,613 | 122,813 | 59,080 |
| 941,289 | 848,662 | 822,522 | 863,996 | 917,993 | 909,167 |
| <u>28,834,976</u> | <u>29,026,459</u> | <u>29,858,418</u> | <u>30,822,222</u> | <u>28,124,998</u> | <u>25,921,738</u> |
| 2,124,990 | 2,227,873 | 2,135,060 | 2,135,210 | 2,060,494 | 2,068,527 |
| 4,346,347 | 4,493,384 | 4,342,750 | 4,261,390 | 3,862,062 | 4,020,488 |
| 10,432,718 | 9,536,108 | 10,087,745 | 9,699,945 | 9,444,711 | 8,463,849 |
| 1,163,340 | 1,415,162 | 1,480,601 | 1,357,550 | 1,510,941 | 1,175,485 |
| 2,960,609 | 2,863,533 | 2,698,244 | 2,517,367 | 2,056,929 | 2,153,619 |
| 1,155,419 | 1,117,615 | 1,157,626 | 1,045,643 | 918,526 | 866,830 |
| 775,018 | 727,765 | 820,483 | 850,138 | 668,867 | 3,293,302 |
| 247,852 | 200,159 | 281,927 | 1,218,937 | 1,611,291 | 815,551 |
| 1,649,454 | 2,970,326 | 2,745,727 | 2,735,006 | 2,735,439 | 2,804,481 |
| 1,580,000 | 1,670,000 | 1,695,000 | 1,700,000 | 1,295,000 | 1,420,000 |
| 1,148,248 | 1,116,640 | 1,076,660 | 1,038,320 | 1,207,578 | 1,440,644 |
| - | - | - | - | - | 11,131 |
| 7,123,336 | 5,178,367 | 3,227,400 | 991,354 | 1,338,008 | 883,378 |
| <u>34,707,331</u> | <u>33,516,932</u> | <u>31,749,223</u> | <u>29,550,860</u> | <u>28,709,846</u> | <u>29,417,285</u> |
| <u>(5,872,355)</u> | <u>(4,490,473)</u> | <u>(1,890,805)</u> | <u>1,271,362</u> | <u>(584,848)</u> | <u>(3,495,547)</u> |
| - | - | - | - | 13,326,647 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,401,870 | 2,430,771 | 2,492,312 | 2,476,424 | 2,476,424 | 2,919,289 |
| <u>(2,451,870)</u> | <u>(2,480,771)</u> | <u>(2,542,312)</u> | <u>(2,526,424)</u> | <u>(2,526,424)</u> | <u>(2,969,289)</u> |
| <u>(50,000)</u> | <u>(50,000)</u> | <u>(50,000)</u> | <u>(50,000)</u> | <u>13,276,647</u> | <u>(50,000)</u> |
| <u>\$ (5,922,355)</u> | <u>\$ (4,540,473)</u> | <u>\$ (1,940,805)</u> | <u>\$ 1,221,362</u> | <u>\$ 12,691,799</u> | <u>\$ (3,545,547)</u> |
| <u>9.89%</u> | <u>9.83%</u> | <u>9.72%</u> | <u>9.59%</u> | <u>9.14%</u> | <u>9.97%</u> |

CITY OF OAK PARK, MICHIGAN

Taxable Value and Actual Value of Property

Last Ten Fiscal Years

(in thousands of dollars)

| Year Ended June 30, | Real Property | | | Personal Property | Total Taxable Value |
|------------------------|-------------------------|------------------------|------------------------|----------------------|------------------------|
| | Residential Property | Commercial Property | Industrial Property | | |
| 2012 | \$ 358,677,900 | \$ 115,935,490 | \$ 23,383,320 | \$ 33,460,080 | \$ 531,456,790 |
| 2011 | 427,200,170 | 99,543,660 | 60,865,560 | 36,210,100 | 623,819,490 |
| 2010 | 496,759,030 | 110,469,460 | 69,924,120 | 37,535,040 | 714,687,650 |
| 2009 | 511,737,180 | 109,204,400 | 70,406,640 | 37,226,110 | 728,574,330 |
| 2008 | 506,292,480 | 108,633,050 | 63,444,620 | 43,942,580 | 722,312,730 |
| 2007 | 480,667,540 | 105,533,730 | 59,565,190 | 44,318,580 | 690,085,040 |
| 2006 | 454,457,020 | 106,703,397 | 57,524,360 | 46,571,380 | 665,256,157 |
| 2005 | 431,289,070 | 90,517,620 | 52,614,020 | 49,005,590 | 623,426,300 |
| 2004 | 408,102,490 | 73,135,960 | 51,075,440 | 46,983,030 | 579,296,920 |
| 2003 | 388,554,740 | 69,031,130 | 50,180,580 | 51,711,060 | 559,477,510 |

Source: City of Oak Park Assessing Department

Note: Tax rates are per \$1,000 of taxable value.

Schedule 5
Unaudited



| Total Direct Tax Rate | Estimated Actual Value | Taxable Value as a Percentage of Actual Value |
|--------------------------|---------------------------|---|
| 27.2386 | \$ 1,257,602,340 | 42.26% |
| 24.5191 | 1,288,399,640 | 48.42% |
| 24.6863 | 1,629,550,940 | 43.86% |
| 24.6704 | 1,816,037,880 | 40.12% |
| 23.7288 | 1,904,504,560 | 37.93% |
| 23.8150 | 1,862,110,440 | 37.06% |
| 23.7201 | 1,835,567,900 | 36.24% |
| 24.1194 | 1,745,673,380 | 35.71% |
| 23.5377 | 1,612,219,660 | 35.93% |
| 23.6344 | 1,521,228,600 | 36.78% |

CITY OF OAK PARK, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of taxable value)

| Fiscal Year | Operating Millage | Library | Debt Service | Solid Waste | Total Direct |
|---------------------|-------------------|---------|--------------|-------------|--------------|
| 2012: Homestead (1) | 20.0000 | 1.9414 | 5.3953 | 2.9531 | 29.8398 |
| 2012: Non-homestead | | | | | 29.8398 |
| 2011: Homestead (1) | 18.8563 | 1.4914 | 4.4378 | 2.4531 | 27.2386 |
| 2011: Non-homestead | | | | | 27.2386 |
| 2010: Homestead (1) | 17.3563 | 0.9914 | 3.7183 | 2.4531 | 24.5191 |
| 2010: Non-homestead | | | | | 24.5191 |
| 2009: Homestead (1) | 17.3563 | 0.9914 | 3.8855 | 2.4531 | 24.6863 |
| 2009: Non-homestead | | | | | 24.6863 |
| 2008: Homestead (1) | 17.3563 | 0.9914 | 3.8696 | 2.4531 | 24.6704 |
| 2008: Non-homestead | | | | | 24.6704 |
| 2007: Homestead (1) | 16.3563 | 0.9914 | 3.9280 | 2.4531 | 23.7288 |
| 2007: Non-homestead | | | | | 23.7288 |
| 2006: Homestead (1) | 16.3613 | 0.9917 | 4.0081 | 2.4539 | 23.8150 |
| 2006: Non-homestead | | | | | 23.8150 |
| 2005: Homestead (1) | 16.3777 | 0.9927 | 3.8933 | 2.4564 | 23.7201 |
| 2005: Non-homestead | | | | | 23.7201 |
| 2004: Homestead (1) | 16.4981 | 1.0000 | 4.1468 | 2.4745 | 24.1194 |
| 2004: Non-homestead | | | | | 24.1194 |
| 2003: Homestead (1) | 16.7443 | - | 4.2819 | 2.5115 | 23.5377 |
| 2003: Non-homestead | | | | | 23.5377 |

(1) The State of Michigan passed a Property Tax Reform measure in 1994 which reduced property taxes for property owners who reside at the property (homestead). This reform created a two tiered tax system which accounts for the presentation above.

| School Districts | | | | | Total Rates for Residents Residing In | | |
|------------------|----------|---------|-------------------|--------|---------------------------------------|--------------------------|-------------------------|
| Oak Park | Ferndale | Berkley | Community College | County | Oak Park School District | Ferndale School District | Berkley School District |
| 17.0682 | 13.5332 | 11.2270 | 1.5844 | 8.9051 | 57.3975 | 53.8625 | 51.5563 |
| 35.2482 | 31.7132 | 29.4070 | 1.5844 | 8.9051 | 75.5775 | 72.0425 | 69.7363 |
| 15.5252 | 13.5052 | 11.1788 | 1.5844 | 8.9051 | 53.2533 | 51.2333 | 48.9069 |
| 33.7052 | 31.6852 | 29.3588 | 1.5844 | 8.9051 | 71.4333 | 69.4133 | 67.0869 |
| 14.6800 | 13.4780 | 10.6668 | 1.5844 | 8.7051 | 49.4886 | 48.2866 | 45.4754 |
| 31.8600 | 31.6580 | 28.8468 | 1.5844 | 8.7051 | 66.6686 | 66.4666 | 63.6554 |
| 13.4494 | 13.4796 | 10.6685 | 1.5844 | 8.7051 | 48.4252 | 48.4554 | 45.6443 |
| 31.6294 | 31.6596 | 28.8485 | 1.5844 | 8.7051 | 66.6052 | 66.6354 | 63.8243 |
| 13.4492 | 13.4795 | 10.6684 | 1.5844 | 8.4905 | 48.1945 | 48.2248 | 45.4137 |
| 31.6292 | 31.6595 | 28.8484 | 1.5844 | 8.4905 | 66.3745 | 66.4048 | 63.5937 |
| 13.4388 | 13.4691 | 10.7892 | 1.5844 | 8.6051 | 47.3571 | 47.3874 | 44.7075 |
| 31.6188 | 31.6491 | 28.9692 | 1.5844 | 8.6051 | 65.5371 | 65.5674 | 62.8875 |
| 13.3585 | 13.4699 | 10.9416 | 1.5844 | 8.6051 | 47.3630 | 47.4744 | 44.9461 |
| 31.5385 | 31.6499 | 29.1216 | 1.5844 | 8.6051 | 65.5430 | 65.6544 | 63.1261 |
| 13.4688 | 13.4691 | 10.9509 | 1.5844 | 8.6101 | 47.3834 | 47.3837 | 44.8655 |
| 31.6488 | 31.6491 | 29.1309 | 1.5844 | 8.6101 | 65.5634 | 65.5637 | 63.0455 |
| 13.4729 | 13.4732 | 11.5744 | 1.5889 | 8.6227 | 47.8039 | 47.8042 | 45.9054 |
| 31.6529 | 31.6532 | 29.7544 | 1.5889 | 8.6227 | 65.9839 | 65.9842 | 64.0854 |
| 12.5350 | 12.2223 | 9.5660 | 1.5983 | 8.6462 | 46.3172 | 46.0045 | 43.3482 |
| 30.6184 | 30.4023 | 27.7460 | 1.5983 | 8.6462 | 64.4006 | 64.1845 | 61.5282 |

Principal Property Tax Payers
Current Year and Nine Years Ago

| Taxpayer | 2003 | | | 2012 | | |
|---|---------------------|------|---------------------|---------------------|------|---------------------|
| | Taxable Value | Rank | Percentage of Total | Taxable Value | Rank | Percentage of Total |
| Jewish Federation Apts. | \$ 9,750,180 | 1 | 0.64% | \$ 8,482,300 | 1 | 0.67% |
| Detroit Square Properties, LLC | | | | 7,061,400 | 2 | 0.56% |
| Lincoln Towers Apts, LLP | | | | 5,230,140 | 3 | 0.42% |
| Village Green Management Co. | | | | 4,746,060 | 4 | 0.38% |
| Greenfield Lincoln Investments #2, LLC | | | | 4,347,400 | 5 | 0.35% |
| Detroit Edison | 5,364,020 | 2 | 0.35% | 4,037,790 | 6 | 0.32% |
| Oak Park Manor MI, LLC | | | | 3,755,870 | 7 | 0.30% |
| Lincoln Center | 2,937,390 | 10 | 0.19% | 3,049,100 | 8 | 0.24% |
| Symtec Mfg. Technologies/Paramount Boring | | | | 2,873,010 | 9 | 0.23% |
| Parkwoods Shopping Plaza, LLC | 4,271,660 | 6 | 0.28% | 2,783,600 | 10 | 0.22% |
| Oakmont Properties | 3,762,260 | 9 | 0.25% | | | |
| Huntington Gardens Village Green Mgmt | 5,307,670 | 3 | 0.35% | | | |
| CBS, Inc. | 4,506,670 | 5 | 0.30% | | | |
| GTN Industries, Inc. | 4,976,270 | 4 | 0.33% | | | |
| Home Properties of New York | 4,068,890 | 7 | 0.27% | | | |
| Cincinnati Milacron | 3,802,960 | 8 | 0.25% | | | |
| | <u>\$48,747,970</u> | | <u>3.20%</u> | <u>\$46,366,670</u> | | <u>3.69%</u> |

Property Tax Levies and Collections
Last Ten Fiscal Years

| Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Subsequent Years Collections | Total Collections to Date | |
|------|--|---|--------------|------------------------------------|---------------------------|--------------|
| | | Amount | % of Levy | | Amount | % of Levy |
| 2012 | \$ 14,899,108 | \$ 13,746,273 | 92.26% | \$ 81,518 | \$ 13,827,791 | 92.81% |
| 2011 | 15,658,581 | 14,363,567 | 91.73% | 95,810 | 14,459,377 | 92.34% |
| 2010 | 18,708,879 | 16,964,827 | 90.68% | 81,685 | 17,046,512 | 91.11% |
| 2009 | 19,029,345 | 17,269,947 | 90.75% | 113,244 | 17,383,191 | 91.35% |
| 2008 | 18,170,268 | 16,349,901 | 89.98% | 136,390 | 16,486,291 | 90.73% |
| 2007 | 17,357,852 | 15,654,630 | 90.19% | 129,735 | 15,784,365 | 90.94% |
| 2006 | 16,627,835 | 15,269,916 | 91.83% | 142,811 | 15,412,727 | 92.69% |
| 2005 | 15,670,688 | 15,439,161 | 98.52% | 141,982 | 15,581,143 | 99.43% |
| 2004 | 14,081,644 | 13,894,283 | 98.67% | 93,827 | 13,988,110 | 99.34% |
| 2003 | 13,562,840 | 13,353,379 | 98.46% | 110,803 | 13,464,182 | 99.27% |

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year Ending June 30, | Governmental Activities | | Business-type Activities | Total Primary Government | % of Personal Income | Per Capita |
|-----------------------------------|--------------------------------|------------------|-----------------------------|-----------------------------|----------------------------|---------------|
| | General Obligation Bonds | Capital Lease | Water Revenue Bonds | | | |
| 2012 | \$ 33,120,000 | \$ 2,500,000 | \$ 12,510,082 | \$ 48,130,082 | 98.84% | \$ 1,641.60 |
| 2011 | 34,540,000 | - | 13,697,003 | 48,237,003 | 99.06% | 1,645.25 |
| 2010 | 22,410,000 | - | 14,315,803 | 36,725,803 | 75.42% | 1,133.55 |
| 2009 | 24,110,000 | - | 15,066,183 | 39,176,183 | 80.45% | 1,209.18 |
| 2008 | 25,805,000 | - | 15,219,483 | 41,024,483 | 84.24% | 1,266.23 |
| 2007 | 27,475,000 | - | 16,091,554 | 43,566,554 | 89.46% | 1,344.69 |
| 2006 | 29,055,000 | - | 16,921,387 | 45,976,387 | 94.41% | 1,419.07 |
| 2005 | 19,930,000 | - | 17,326,313 | 37,256,313 | 76.51% | 1,149.92 |
| 2004 | 21,775,000 | - | 16,475,815 | 38,250,815 | 78.55% | 1,239.29 |
| 2003 | 23,375,000 | - | 13,074,510 | 36,449,510 | 74.85% | 1,223.43 |

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year Ending June 30, | General Obligation Bonds | Less: Amounts Available in Debt Service Funds | Total | % of Estimated Actual Taxable Value of Property | Per Capita |
|--------------------------------|--------------------------------|---|---------------|---|---------------|
| 2012 | \$ 35,620,000 | \$ 109,780 | \$ 35,510,220 | 6.68% | \$ 1,211 |
| 2011 | 34,540,000 | 654,398 | 33,885,602 | 5.43% | 1,156 |
| 2010 | 22,410,000 | 835,683 | 21,574,317 | 3.02% | 666 |
| 2009 | 24,110,000 | 784,216 | 23,325,784 | 3.20% | 720 |
| 2008 | 25,805,000 | 643,161 | 25,161,839 | 3.48% | 777 |
| 2007 | 27,475,000 | 493,669 | 26,981,331 | 3.91% | 833 |
| 2006 | 29,055,000 | 371,772 | 28,683,228 | 4.31% | 885 |
| 2005 | 19,930,000 | 334,783 | 19,595,217 | 3.14% | 605 |
| 2004 | 21,775,000 | 282,328 | 21,492,672 | 3.71% | 696 |
| 2003 | 23,375,000 | 274,921 | 23,100,079 | 4.13% | 775 |

CITY OF OAK PARK, MICHIGAN

Schedule 11
Unaudited

Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

| | Net Debt Outstanding | Percentage Applicable to City * | Estimated Share of Overlapping Debt |
|--|----------------------|---------------------------------|-------------------------------------|
| Direct | | | |
| City of Oak Park | \$ 35,438,601 | 100.00% | <u>\$ 35,438,601</u> |
| Overlapping | | | |
| Berkley School District | 20,620,000 | 12.53% | 2,583,686 |
| Ferndale School District | 54,427,678 | 13.08% | 7,119,140 |
| Oak Park School District | 19,925,000 | 69.93% | 13,933,553 |
| Oakland County (at-large) | 88,018,060 | 0.96% | 844,973 |
| Oakland Intermediate School District | 61,705,000 | 0.97% | 598,539 |
| Oakland Community College | 4,435,000 | 0.97% | 43,020 |
| | | | <u>25,122,910</u> |
| Total direct and overlapping debt | | | <u><u>\$ 60,561,511</u></u> |

* Amount supplied by Municipal Advisory Council of Michigan.

CITY OF OAK PARK, MICHIGAN

Schedule 12
Unaudited

Legal Debt Margin
Last Ten Fiscal Years

| | | |
|---|------------------|-----------------------|
| Assessed value | | <u>\$ 474,376,890</u> |
| Legal debt limit (10% of SEV) | | \$ 47,437,689 |
| Gross indebtedness | \$ 35,620,000 | |
| Amount available in debt service funds | <u>(181,399)</u> | |
| Net bonded debt | | <u>35,438,601</u> |
| Legal debt margin | | <u>\$ 11,999,088</u> |
| Net bonded debt as a percentage of assessed value | | <u>7.47%</u> |

| Fiscal Year | Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total Net Debt Applicable to Limit as a Percentage of Debt Limit |
|-------------|---------------|------------------------------------|-------------------|--|
| 2012 | \$ 47,437,689 | \$ 35,438,601 | \$ 11,999,088 | 74.71% |
| 2011 | 53,202,679 | 33,885,602 | 19,317,077 | 63.69% |
| 2010 | 64,419,982 | 21,574,317 | 42,845,665 | 33.49% |
| 2009 | 81,477,547 | 23,325,784 | 58,151,763 | 28.63% |
| 2008 | 90,844,906 | 25,161,839 | 65,683,067 | 27.70% |
| 2007 | 95,225,228 | 26,981,331 | 68,243,897 | 28.33% |
| 2006 | 93,105,522 | 28,683,228 | 64,422,294 | 30.81% |
| 2005 | 91,778,395 | 19,595,217 | 72,183,178 | 21.35% |
| 2004 | 87,283,669 | 21,492,672 | 65,790,997 | 24.62% |
| 2003 | 80,611,283 | 23,100,079 | 57,511,204 | 28.66% |

Revenue Bond Coverage
 Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Gross Revenue | Expenses Net of Depreciation and Interest | Net Revenue Available for Debt Service | Total Debt Service Requirement | Coverage |
|----------------------------|---------------|---|--|--------------------------------|----------|
| 2012 | \$ 10,726,422 | \$ 8,500,822 | \$ 2,225,600 | \$ 1,560,962 | 1.43 |
| 2011 | 10,676,880 | 8,091,387 | 2,585,493 | 1,523,214 | 1.70 |
| 2010 | 9,148,095 | 8,094,665 | 1,053,430 | 1,552,893 | 0.68 |
| 2009 | 9,050,017 | 7,304,931 | 1,745,086 | 1,493,798 | 1.17 |
| 2008 | 8,972,129 | 7,302,057 | 1,670,072 | 1,490,687 | 1.12 |
| 2007 | 9,034,465 | 7,072,472 | 1,961,993 | 1,467,851 | 1.34 |
| 2006 | 10,547,749 | 7,255,581 | 3,292,168 | 1,469,511 | 2.24 |
| 2005 | 8,213,692 | 6,215,874 | 1,997,818 | 1,497,068 | 1.33 |
| 2004 | 7,974,025 | 6,641,542 | 1,332,483 | 1,051,245 | 1.27 |
| 2003 | 8,301,437 | 6,574,923 | 1,726,514 | 814,548 | 2.12 |

Demographic and Economic Statistics
Last Ten Fiscal Years

| Year | Population | Personal Income | Per Capita Personal Income | Median Age | Unemployment Rate |
|------|------------|-----------------|----------------------------|------------|-------------------|
| 2012 | 29,319 | \$ 48,697 | \$ 21,677 | 34.6 | 11.20% |
| 2011 | 29,319 | 48,697 | 21,677 | 34.6 | 15.20% |
| 2010 | 29,319 | 48,697 | 21,677 | 34.6 | 19.10% |
| 2009 | 32,399 | 48,697 | 21,677 | 34.6 | 22.50% |
| 2008 | 32,399 | 48,697 | 21,677 | 34.6 | 10.80% |
| 2007 | 32,399 | 48,697 | 21,677 | 34.6 | 9.69% |
| 2006 | 32,399 | 48,697 | 21,677 | 34.6 | 8.70% |
| 2005 | 32,399 | 48,697 | 21,677 | 34.6 | 8.20% |
| 2004 | 30,865 | 48,697 | 21,677 | 34.6 | 8.60% |
| 2003 | 29,793 | 48,697 | 21,677 | 34.6 | 8.30% |

Principal Employers

Current Year and Nine Years Ago

| Employer | 2003 | | | 2012 | | |
|-------------------------------|--------------|------|----------------------------|--------------|------|----------------------------|
| | Employees | Rank | % of Total City Employment | Employees | Rank | % of Total City Employment |
| Berkley School district | 115 | 4 | 0.39% | 558 | 1 | 1.90% |
| Oak Park School District | 450 | 1 | 1.51% | 366 | 2 | 1.25% |
| City of Oak Park | 238 | 2 | 0.80% | 197 | 3 | 0.67% |
| Aarmco | 121 | 3 | 0.41% | 130 | 4 | 0.44% |
| Hagopian World of Rugs Inc. | 111 | 5 | 0.37% | 110 | 5 | 0.38% |
| K-Mart Corporation | | | | 98 | 6 | 0.33% |
| Ferndale School District | 109 | 7 | 0.37% | 97 | 7 | 0.33% |
| Bullseye Telecom Inc. | | | | 96 | 8 | 0.33% |
| Visiting Nurse Association | 100 | 8 | 0.34% | 96 | 8 | 0.33% |
| Barton Malow Rigging Co. Inc. | 110 | 6 | 0.37% | 35 | 10 | 0.12% |
| GTN Inc. | 94 | 9 | 0.32% | | | |
| Thyssen Metal | 93 | 10 | 0.31% | | | |
| | <u>1,426</u> | | <u>4.79%</u> | <u>1,225</u> | | <u>4.18%</u> |

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CITY OF OAK PARK, MICHIGAN

Full-time Equivalent Employees by Department / Union Group Last Ten Fiscal Years

| Department/Union | 2003 | 2004 | 2005 | 2006 |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Full-time | | | | |
| Council | 5.00 | 5.00 | 5.00 | 5.00 |
| City Manager | 5.00 | 4.00 | 4.00 | 4.00 |
| Information Technology | 1.00 | 1.00 | 1.00 | 1.00 |
| City Attorney | - | - | - | - |
| Prosecuting Attorney | - | - | - | - |
| Elections | - | - | - | - |
| City Clerk | 4.00 | 4.00 | 4.00 | 4.00 |
| Finance & Administrative Services | 18.00 | 17.00 | 16.00 | 17.00 |
| Technical & Planning Services | 17.00 | 16.00 | 16.00 | 17.00 |
| Public Information | 4.00 | 4.00 | 4.00 | 4.00 |
| Public Safety | 83.00 | 78.00 | 78.00 | 79.00 |
| Public Works | 30.00 | 28.00 | 28.00 | 27.00 |
| Recreation | 12.00 | 11.00 | 9.00 | 8.00 |
| Library | 8.00 | 8.00 | 8.00 | 8.00 |
| Community Services | 2.00 | - | - | - |
| District Court 45-B / Probation | 26.00 | 26.00 | 26.00 | 26.00 |
| | <u>215.00</u> | <u>202.00</u> | <u>199.00</u> | <u>200.00</u> |
| Part-time | | | | |
| Council | - | - | - | - |
| City Manager | - | - | - | - |
| Information Technology | - | - | - | - |
| City Attorney | 1.00 | - | - | - |
| Prosecuting Attorney | 1.00 | 1.00 | 1.00 | 1.00 |
| Elections | - | - | - | - |
| City Clerk | - | - | - | - |
| Finance & Administrative Services | - | - | - | - |
| Technical & Planning Services | 1.00 | 1.00 | 0.50 | 0.50 |
| Public Information | - | - | - | - |
| Public Safety | 5.25 | 5.25 | 5.25 | 5.25 |
| Public Works | 6.03 | 2.42 | 2.42 | 2.42 |
| Recreation | 22.10 | 21.30 | 21.30 | 20.40 |
| Library | 7.65 | 3.65 | 3.65 | 3.65 |
| Community Services | - | - | - | - |
| District Court 45-B / Probation | 2.90 | 1.90 | 1.90 | 1.90 |
| | <u>46.93</u> | <u>36.52</u> | <u>36.02</u> | <u>35.12</u> |
| Total | <u><u>261.93</u></u> | <u><u>238.52</u></u> | <u><u>235.02</u></u> | <u><u>235.12</u></u> |

Note: The amounts presented under Part Time workers represent Full Time Equivalents and not actual positions. Full Time Equivalents equalizes part time hours to that of a full time worker in a like position. For example a part time worker who works 30 hours in a office that normally works 40 hours would be recorded at .75 FTE (30 hours / 40 hours = .75 FTE).

Schedule 16
Unaudited

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------|--------|--------|--------|--------|--------|
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 4.00 | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 4.00 | 4.00 | 4.00 | 3.00 | 2.00 | 2.00 |
| 16.00 | 17.00 | 17.00 | 15.00 | 13.00 | 11.00 |
| 17.00 | 16.00 | 13.00 | 13.00 | 12.00 | 10.00 |
| 4.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 79.00 | 78.00 | 78.00 | 74.00 | 73.00 | 68.00 |
| 27.00 | 27.00 | 26.00 | 26.00 | 24.00 | 24.00 |
| 8.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 4.00 |
| - | - | - | - | - | - |
| 28.00 | 27.00 | 25.00 | 27.00 | 27.00 | 23.00 |
| 199.00 | 195.00 | 189.00 | 184.00 | 176.00 | 161.00 |
| - | - | - | - | - | - |
| - | - | - | - | 0.12 | 0.12 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| - | - | - | - | - | - |
| - | - | - | 0.50 | 0.50 | 0.50 |
| - | - | - | - | - | - |
| 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| - | - | - | - | - | - |
| 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 |
| 3.17 | 3.17 | 3.17 | 3.17 | 3.17 | 3.17 |
| 21.20 | 21.20 | 21.10 | 21.10 | 20.35 | 20.35 |
| 3.65 | 3.65 | 4.50 | 4.50 | 3.75 | 3.75 |
| - | - | - | - | - | - |
| 2.40 | 2.40 | 2.40 | 0.70 | 0.70 | 1.70 |
| 37.17 | 37.17 | 37.92 | 36.72 | 35.34 | 36.34 |
| 236.17 | 232.17 | 226.92 | 220.72 | 211.34 | 197.34 |

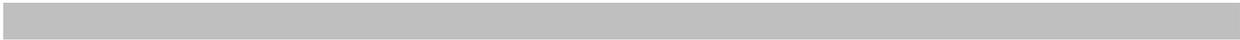
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CITY OF OAK PARK, MICHIGAN

Full-time Equivalent Employees by Department / Union Group Last Ten Fiscal Years

| Department/Union | 2003 | 2004 | 2005 | 2006 |
|---|------------|------------|------------|------------|
| Full-time Personnel by Salary Classification | | | | |
| Legislative | 5 | 5 | 5 | 5 |
| Exempt | 12 | 11 | 11 | 11 |
| Supervisory | 15 | 13 | 13 | 15 |
| Administrative | 8 | 6 | 5 | 5 |
| AFSCME | 74 | 71 | 69 | 66 |
| POAM | 55 | 50 | 50 | 52 |
| COAM | 14 | 14 | 14 | 14 |
| Dispatch | 6 | 6 | 6 | 6 |
| District Court 45-B | 26 | 26 | 26 | 26 |
| | <u>215</u> | <u>202</u> | <u>199</u> | <u>200</u> |

Schedule 16
Unaudited



| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------|------------|------------|------------|------------|------------|
| 5 | 5 | 5 | 5 | 5 | 5 |
| 11 | 11 | 11 | 11 | 11 | 10 |
| 15 | 15 | 13 | 13 | 13 | 13 |
| 5 | 5 | 5 | 5 | 5 | 4 |
| 63 | 61 | 59 | 56 | 56 | 43 |
| 52 | 51 | 51 | 47 | 47 | 45 |
| 14 | 14 | 14 | 14 | 14 | 13 |
| 6 | 6 | 6 | 6 | 6 | 5 |
| 28 | 27 | 25 | 27 | 27 | 23 |
| <u>199</u> | <u>195</u> | <u>189</u> | <u>184</u> | <u>184</u> | <u>161</u> |

concluded

CITY OF OAK PARK, MICHIGAN

Operating Indicators by Function/Department Last Ten Fiscal Years

| Function/Program | 2003 | 2004 | 2005 | 2006 |
|--|--------------|---------------|--------------|--------------|
| City Manager | | | | |
| Number of complaints | 202 | 130 | 167 | 160 |
| Average days to complete | 4.60 | 3.50 | 4.40 | 5.00 |
| Public Safety | | | | |
| Hazardous violations | 2,731 | 2,563 | 4,726 | 6,178 |
| Total violations | 9,168 | 8,190 | 13,241 | 15,716 |
| EMS requests | 2,067 | 2,237 | 2,521 | 2,491 |
| Traffic crashes | 1,187 | 1,134 | 1,091 | 908 |
| Technical & Planning Services | | | | |
| Number of building permits | 710 | 814 | 811 | 716 |
| Value of building permits | \$ 6,515,615 | \$ 10,711,218 | \$ 9,930,436 | \$ 9,075,580 |
| Library | | | | |
| Residents with library cards | 14,382 | 15,311 | 17,234 | 19,127 |
| Items available | 100,971 | 103,500 | 102,893 | 105,302 |
| Health and Sanitation | | | | |
| Tons of solid waste recycled | 988.00 | 940.12 | 940.00 | 863.00 |
| Water System | | | | |
| Percent of line lost | 9.64% | 5.11% | 10.70% | 9.55% |

Schedule 17
Unaudited



| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 143 | 139 | 94 | 113 | 293 | 293 |
| 5.50 | 7.63 | 1.50 | 2.00 | 5.60 | 5.60 |
| 5,423 | 5,077 | 4,060 | 3,428 | 3,624 | 3,624 |
| 14,837 | 13,955 | 11,171 | 10,122 | 9,473 | 9,473 |
| 2,441 | 2,210 | 2,305 | 2,533 | 2,423 | 2,423 |
| 923 | 815 | 730 | 659 | 655 | 655 |
| 624 | 545 | 582 | 526 | 526 | 526 |
| \$ 8,515,609 | \$ 5,868,495 | \$ 6,143,751 | \$ 4,560,779 | \$ 4,560,779 | \$ 4,560,779 |
| 16,076 | 17,102 | 17,400 | 18,268 | 18,916 | 18,916 |
| 104,954 | 114,338 | 105,750 | 105,720 | 94,939 | 94,939 |
| 771.00 | 802.00 | 826.00 | 818.00 | 793.00 | 793.00 |
| 9.48% | 6.51% | 4.83% | 4.83% | 4.83% | 4.83% |

CITY OF OAK PARK, MICHIGAN

Capital Asset Statistics by Function/Department Last Ten Fiscal Years

| Function/Program | 2003 | 2004 | 2005 | 2006 |
|------------------------------------|-------|-------|-------|-------|
| City Manager | | | | |
| Vehicles assigned | 1 | 1 | 2 | 3 |
| Public Safety | | | | |
| Vehicles assigned | 33 | 33 | 35 | 35 |
| Public Works | | | | |
| Vehicles assigned | 33 | 33 | 40 | 40 |
| Number of buildings | 5 | 5 | 5 | 5 |
| Road Maintenance and Repair | | | | |
| Miles of major streets | 20.72 | 20.72 | 20.72 | 20.72 |
| Miles of local streets | 65.33 | 65.33 | 65.33 | 65.33 |
| Water & Sewer System | | | | |
| Miles of water mains | 115 | 115 | 115 | 115 |
| Miles of sewers | 80.64 | 80.64 | 80.64 | 80.64 |
| Recreation | | | | |
| Swimming pool | 1 | 1 | 1 | 1 |
| City parks | 10 | 10 | 10 | 10 |
| Park acreage | 109.8 | 109.8 | 109.8 | 109.8 |

Schedule 18
Unaudited



| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------|-------|-------|-------|-------|-------|
| 2 | 2 | - | - | - | - |
| 40 | 39 | 29 | 34 | 38 | 33 |
| 48 | 46 | 38 | 42 | 42 | 42 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 20.72 | 20.72 | 20.72 | 20.72 | 21 | 21 |
| 65.33 | 65.33 | 65.33 | 65.33 | 65.33 | 65.33 |
| 115 | 115 | 115 | 115 | 115 | 115 |
| 80.64 | 80.64 | 80.64 | 80.64 | 80.64 | 80.64 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 109.8 | 109.8 | 109.8 | 109.8 | 109.8 | 109.8 |

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